

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ACC LIMITED

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of ACC Limited (hereinafter referred to as "the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), its associates and its joint ventures, comprising the Consolidated Balance Sheet as at December 31, 2018, and the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements"), which includes four joint operations of a subsidiary (consolidated on a proportionate basis with the subsidiary).

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Parent's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its Associates and Joint ventures in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. The respective Boards of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group, its

associates and its joint ventures and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Parent, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Parent's preparation of the consolidated Ind AS

financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Parent's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraphs (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries (which includes four joint operations), associates and joint venture referred to below in the Other Matters paragraph, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and joint ventures as at December 31, 2018, and their consolidated profit, consolidated total comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Emphasis of Matter

We draw attention to Notes 41(A)a and 41(A)b to the consolidated financial statements which describes the following matters:

- a) In terms of order dated August 31, 2016, the Competition Commission of India (CCI) had imposed a penalty of ₹ 1147.59 crores for alleged contravention of the provisions of the Competition

Act, 2002 (the Competition Act) by the Company. On the Company's appeal, National Company Law Appellate Tribunal (NCLAT), (which replaced the Competition Appellate Tribunal (COMPAT) effective May 26, 2017), in its order passed on July 25, 2018 had upheld the CCI's Order. The Company's appeal against the said judgement of NCLAT before the Hon'ble Supreme Court was admitted vide its order dated October 05, 2018 with a direction that the interim order passed by the tribunal would continue.

- b) In a separate matter, pursuant to a reference filed by the Government of Haryana, the CCI by its order dated January 19, 2017, had imposed a penalty of ₹ 35.32 crores on the Company for alleged contravention of the provisions of the Competition Act. On Company's filing an appeal together with application for interim stay against payment of penalty, COMPAT has stayed the penalty pending hearing of the application. This matter is listed before NCLAT for hearing.

Based on the Company's assessment on the outcome of these appeals supported by the advice of external legal counsel, the Company is of the view that no provision is necessary in respect of these matters in these financial statements.

Our opinion is not modified in respect of these matters.

Other Matters

We did not audit the financial statements of four subsidiaries (which includes four joint operations), whose financial statements reflect total assets of ₹ 82.49 crores as at December 31, 2018, total revenues of ₹ 13.95 crores and net cash inflows amounting to ₹ 63.13 crores for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include the Group's share of net profit of ₹ 8.73 crores for the year ended December 31, 2018, as considered in the consolidated Ind AS financial statements, in respect of two associates and one joint venture, whose financial

statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries (which includes four joint operations), associates and joint ventures, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries (which includes four joint operations), joint venture and associates is based solely on the reports of the other auditors.

Our opinion on the consolidated Ind AS financial statements above, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements of subsidiaries (which includes four joint operations), associates and joint venture companies incorporated in India, referred in the Other Matters paragraph above, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are

in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Parent as on December 31, 2018 taken on record by the Board of Directors of the Parent and the reports of the statutory auditors of its subsidiary companies, associate companies and joint venture companies incorporated in India, none of the directors of the Group companies, its associate companies and joint venture companies incorporated in India is disqualified as on December 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Parent, subsidiary companies, associate companies and joint venture companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of the Group, associates and joint venture companies incorporated in India.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent, subsidiary companies, associate companies and joint venture companies incorporated in India to its directors is in accordance with the provisions of section 197 of the Act.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

- i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and joint ventures.
- ii. The Group, its associates and joint ventures did not have any material foreseeable losses on long-term contracts including derivative contracts.
- iii. There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund

by the Parent, its subsidiary companies, associate companies and joint venture companies incorporated in India, on the basis of information available with the Company, other than ₹ 1.16 crores in case of Parent company paid during the year, as reported in the previous year.

For Deloitte Haskins & Sells LLP

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

B. P. Shroff

Partner

(Membership No. 034382)

Place : Mumbai

Date : February 05, 2019

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph (f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended December 31, 2018, we have audited the internal financial controls over financial reporting of ACC Limited (hereinafter referred to as (“Parent”) and its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

The respective Boards of Directors of the Parent, its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent, its subsidiary companies, its associate companies and its joint ventures, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act,

2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies, associate companies and joint ventures, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent, its subsidiary companies, its associate companies and its joint ventures, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets

of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent, its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in

India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at December 31, 2018, based on internal financial control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to four subsidiary companies, two associate companies and one joint venture, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

For Deloitte Haskins & Sells LLP

Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

B. P. Shroff

Partner
(Membership No. 034382)

Place : Mumbai
Date : February 05, 2019

Consolidated Balance Sheet as at December 31, 2018

Particulars	Note No.	As at December 31, 2018 Crore	As at December 31, 2017 Crore
A ASSETS			
Non-current assets			
a) Property, Plant and Equipment	2	7,035.18	7,224.46
b) Capital work-in-progress		397.78	269.25
c) Goodwill on consolidation	54	15.57	15.57
d) Other Intangible assets	3	37.42	40.03
e) Investments in associates and joint ventures	4	100.40	91.16
f) Financial Assets			
(i) Investments	5	3.70	3.70
(ii) Loans	6	169.14	222.59
(iii) Other financial assets	7	325.33	410.34
g) Non-current Tax Assets (Net)	8	674.97	296.95
h) Other non-current assets	9	612.02	616.77
Total Non-current assets		9,371.51	9,190.82
Current assets			
a) Inventories	10	1,679.39	1,404.78
b) Financial assets			
(i) Trade receivables	11	867.37	665.97
(ii) Cash and Cash Equivalents	12	2,933.21	2,559.66
(iii) Bank balances other than Cash and Cash Equivalents	13	163.77	168.89
(iv) Loans	14	77.30	41.40
(v) Other financial assets	15	226.68	8.88
c) Other current assets	16	725.17	792.26
		6,672.89	5,641.84
d) Non-current assets classified as held for sale	17	11.55	13.08
Total Current assets		6,684.44	5,654.92
TOTAL - ASSETS		16,055.95	14,845.74
B. EQUITY AND LIABILITIES			
Equity			
a) Equity Share Capital	18	187.99	187.99
b) Other Equity	19	10,343.91	9,167.86
Equity attributable to owners of the parent		10,531.90	9,355.85
Non-controlling interest		3.03	2.88
Total Equity		10,534.93	9,358.73
Liabilities			
Non-current liabilities			
a) Provisions	20	140.29	142.79
b) Deferred tax liabilities (Net)	21	674.57	551.56
Total - Non-current liabilities		814.86	694.35
Current liabilities			
a) Financial Liabilities			
(i) Trade payables			
Total outstanding dues of micro and small enterprises	45	8.02	4.81
Total outstanding dues of creditors other than micro and small enterprises		1,918.24	1,808.93
(ii) Other financial liabilities	22	775.54	721.34
b) Other current liabilities	23	1,794.63	1,737.97
c) Provisions	24	27.30	51.19
d) Current tax liabilities (Net)		182.43	468.42
Total - Current liabilities		4,706.16	4,792.66
Total - Liabilities		5,521.02	5,487.01
TOTAL - EQUITY AND LIABILITIES		16,055.95	14,845.74
Significant accounting policies	1		
See accompanying notes to the financial statements			

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
ICAI Firm Registration No. 117366W/W-100018

B P SHROFF
Partner
Membership No. 034382

Mumbai, February 05, 2019

For and on behalf of the Board of Directors of ACC Limited,

N.S.SEKHSARIA
Chairman
DIN: 00276351

NEERAJ AKHOURY
Managing Director & CEO
DIN:07419090

SUNIL K. NAYAK
Chief Financial Officer

RAMASWAMI KALIDAS
Company Secretary
FCS - 2440

ARUNKUMAR R GANDHI
Director
DIN: 00007597

SUSHIL KUMAR ROONGTA
Director
DIN:00309302

FARROKH K. KAVARANA
Director
DIN: 00027689

VIJAY KUMAR SHARMA
Director
DIN: 02449088

MARTIN KRIEGNER
Director
DIN:00077715

ASHWIN DANI
Director
DIN: 00009126

FALGUNI NAYAR
Director
DIN: 00003633

CHRISTOF HASSIG
Director
DIN: 01680305

Consolidated Statement of Profit and Loss for the year ended December 31, 2018

Particulars	Note No.	For the year ended December 31, 2018 Crore	For the year ended December 31, 2017 Crore
INCOME			
1 Revenue from operations	25	14,801.62	14,200.72
2 Other Income	26	142.66	128.86
3 TOTAL INCOME (1+2)		14,944.28	14,329.58
4 EXPENSES			
a) Cost of materials consumed	27	2,368.17	1,980.04
b) Purchases of Stock-in-Trade	28	89.26	0.84
c) Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	29	(124.98)	(14.90)
d) Employee benefits expense	30	883.58	821.36
e) Power and Fuel		3,000.83	2,716.94
f) Freight and Forwarding expense	31	3,992.82	3,433.75
g) Excise duty		-	915.59
h) Finance costs	32	87.77	98.53
i) Depreciation and amortisation expense	33	603.22	643.62
j) Other expenses	34	2,546.53	2,440.80
		13,447.20	13,036.57
Self consumption of cement		(2.71)	(6.13)
TOTAL EXPENSES		13,444.49	13,030.44
5 Profit before share of profit of associates and joint ventures and tax (3-4)		1,499.79	1,299.14
6 Share of profit in associates and a joint ventures		10.32	10.92
7 Profit before tax (5+6)		1,510.11	1,310.06
8 Tax expense (Refer Note - 21)			
a) Current tax		457.57	352.65
b) Tax adjustments for earlier years		(500.63)	-
c) Deferred tax charge / (credit)		32.55	32.90
		(10.51)	385.55
9 Profit for the year (7-8)		1,520.62	924.51
10 Other Comprehensive Income (OCI)			
(i) Items that will not be reclassified to profit and loss:			
(a) Re-measurement gain / (loss) on defined benefit plans		(7.45)	3.62
(b) Share of Re-measurement gain / (loss) on defined benefit plans of associates and joint ventures (net of tax)		0.01	(0.13)
(ii) Income tax relating to items that will not be reclassified to profit and loss	21	2.60	(1.25)
Other Comprehensive Income for the year, net of tax		(4.84)	2.24
11 Total Comprehensive Income for the year (9+10)		1,515.78	926.75
12 Attributable to:			
Owners of the Company		1,520.47	924.41
Non-controlling interests		0.15	0.10
Profit for the year		1,520.62	924.51
13 Other comprehensive income Attributable to:			
Owners of the Company		(4.84)	2.24
Non-controlling interests		-	-
Other comprehensive income		(4.84)	2.24
14 Total comprehensive income Attributable to:			
Owners of the Company		1,515.63	926.65
Non-controlling interests		0.15	0.10
Total comprehensive income		1,515.78	926.75
15 Earnings per equity share of ₹ 10 each:			
(a) Basic		80.97	49.23
(b) Diluted		80.77	49.10
Significant accounting policies	1		
See accompanying notes to the financial statements			

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
 Chartered Accountants
 ICAI Firm Registration No. 117366W/W-100018

B P SHROFF
 Partner
 Membership No. 034382

Mumbai, February 05, 2019

For and on behalf of the Board of Directors of ACC Limited,

N.S.SEKHSARIA Chairman DIN: 00276351	ARUNKUMAR R GANDHI Director DIN: 00007597	MARTIN KRIEGNER Director DIN: 00077715
NEERAJ AKHOURY Managing Director & CEO DIN: 07419090	SUSHIL KUMAR ROONGTA Director DIN: 00309302	ASHWIN DANI Director DIN: 00009126
SUNIL K. NAYAK Chief Financial Officer	FARROKH K. KAVARANA Director DIN: 00027689	FALGUNI NAYAR Director DIN: 00003633
RAMASWAMI KALIDAS Company Secretary FCS - 2440	VIJAY KUMAR SHARMA Director DIN: 02449088	CHRISTOF HASSIG Director DIN: 01680305

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the year ended December 31, 2018

A. Equity Share Capital

	Note No.	₹ Crore
As at January 01, 2017	18	187.99
Issue of equity shares	-	-
As at December 31, 2017	18	187.99
Issue of equity shares	-	-
As at December 31, 2018	18	187.99

B. Other Equity

For the year ended December 31, 2018

	Reserves and surplus (Refer Note - 19)			Total Attributable to Owners of the Company	Attributable to Non-controlling interest	Total other equity
	Securities premium	General Reserve	Retained earnings			
	₹ Crore	₹ Crore	₹ Crore	₹ Crore	₹ Crore	₹ Crore
As at January 01, 2018	845.03	2,796.78	5,526.05	9,167.86	2.88	9,170.74
Profit for the year	-	-	1,520.47	1,520.47	0.15	1,520.62
Other Comprehensive Income for the year, net of tax	-	-	(4.84)	(4.84)	-	(4.84)
Total comprehensive income for the year	-	-	1,515.63	1,515.63	0.15	1,515.78
Final dividend paid for 2017 (Refer Note - 53)	-	-	(281.68)	(281.68)	-	(281.68)
Dividend distribution tax on dividend (Refer Note - 53)	-	-	(57.90)	(57.90)	-	(57.90)
As at December 31, 2018	845.03	2,796.78	6,702.10	10,343.91	3.03	10,346.94

B. Other Equity (Contd.)**For the year ended December 31, 2017**

	Reserves and surplus (Refer Note - 19)			Total Attributable to Owners of the Company	Attributable to Non- controlling interest	Total other equity
	Securities premium	General Reserve	Retained earnings			
As at January 01, 2017	₹ Crore	₹ Crore	₹ Crore	₹ Crore	₹ Crore	₹ Crore
Profit for the year	845.03	2,796.78	4,983.63	8,625.44	2.78	8,628.22
Other Comprehensive Income for the year, net of tax	-	-	924.41	924.41	0.10	924.51
Total comprehensive income for the year	-	-	2.24	2.24	-	2.24
Interim dividend paid (Refer Note - 53)	-	-	926.65	926.65	0.10	926.75
Final dividend paid for 2016 (Refer Note - 53)	-	-	(206.57)	(206.57)	-	(206.57)
Dividend distribution tax on dividend (Refer Note - 53)	-	-	(112.67)	(112.67)	-	(112.67)
As at December 31, 2017	845.03	2,796.78	5,526.05	9,167.86	2.88	9,170.74

See accompanying notes to the financial statements

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants

ICAI Firm Registration No. 117366W/W-100018

For and on behalf of the Board of Directors of ACC Limited,

N.S.SEKHSARIA

Chairman

DIN: 00276351

ARUNKUMAR R GANDHI

Director

DIN: 00007597

MARTIN KRIEGER

Director

DIN: 00077715

NEERAJ AKHOURY

Managing Director & CEO

DIN: 07419090

SUSHIL KUMAR ROONGTA

Director

DIN: 00309302

ASHWIN DANI

Director

DIN: 00009126

SUNIL K. NAYAK

Chief Financial Officer

DIN: 00027689

FARROKH K. KAVARANA

Director

DIN: 00003633

FALGUNI NAYAR

Director

DIN: 00003633

B P SHROFF

Partner

Membership No. 034382

RAMASWAMI KALIDAS

Company Secretary

FCS - 2440

VIJAY KUMAR SHARMA

Director

DIN: 02449088

CHRISTOF HASSIG

Director

DIN: 01680305

Mumbai, February 05, 2019

CONSOLIDATED STATEMENT OF CASH FLOW for the year ended December 31, 2018

Particulars	Note No.	For the year ended December 31, 2018	For the year ended December 31, 2017
		₹ Crore	₹ Crore
A. Cash flow from operating activities			
Profit before Tax		1,510.11	1,310.06
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation and amortisation expense	33	603.22	643.62
Loss / (Profit) on sale / write off of Property, Plant & Equipment (net)	26 & 34	(0.94)	2.93
Gain on sale of non - current financial assets measured at FVTPL	26	-	(10.32)
Gain on sale of current financial assets measured at FVTPL	26	(35.91)	(25.75)
Interest income	26	(104.90)	(91.87)
Finance costs	32	87.77	98.53
Impairment losses on financial assets (net)	34	5.39	2.20
Provision / (Reversal) for doubtful advances (net)		(0.05)	(5.00)
Provision/(Reversal) for slow and non moving Stores & Spares (net)	10	4.42	(6.39)
Provision no longer required written back (including write back of royalty on minerals in the previous year)	25 & 34	(24.69)	(45.49)
Net gain on fair valuation of current financial assets measured at FVTPL	26	(0.91)	(0.92)
Amortisation of operating lease rental		2.78	3.72
Share of profit in associates and joint ventures	37	(10.32)	(10.92)
Fair Value movement in Derivative Instruments		1.19	-
Unrealised exchange gain (net)		(1.10)	(0.12)
Operating profit before working capital changes		2,036.06	1,864.28
Changes in Working Capital:			
Adjustments for Decrease / (Increase) in operating assets:			
Decrease / (Increase) in Trade receivable, loans & advances and other assets	6-7, 9, 11, & 14-17	(268.37)	(779.48)
Decrease / (Increase) in Inventories	10	(279.03)	(173.76)
Adjustments for Increase / (Decrease) in operating liabilities:			
Increase / (Decrease) in Trade payables, Other liabilities and Provisions	20 & 22- 24	156.77	862.50
Cash generated from operations		1,645.43	1,773.54
Direct tax paid - (Net of refunds)		(527.89)	(219.09)
Net Cash flow from operating activities		1,117.54	1,554.45
B. Cash flow from investing activities			
Loans to Joint Venture	6	(0.11)	(0.12)
Payment received against loan given to Joint Venture		-	4.18
Purchase of Property, Plant & Equipment (Including Capital work-in-progress and Capital Advances)		(519.68)	(534.90)
Proceeds from sale of Property, Plant & Equipment		22.57	14.47
Proceeds from sale of non current investments in Shiva Cement Ltd		-	38.67
Net proceeds from sale of mutual funds		35.91	25.75
Investment in bank deposits (having original maturity for more than 12 months)	7	(4.35)	-
Investment in bank deposits (having original maturity for more than 3 months)		(117.39)	(2.05)
Redemption of bank deposits (having original maturity for more than 3 months)		125.49	-
Dividend received from Associate / Joint venture		1.09	4.75
Interest received		92.03	69.69
Net cash used in investing activities		(364.44)	(379.56)

CONSOLIDATED STATEMENT OF CASH FLOW for the year ended December 31, 2018

Particulars	Note No.	For the year ended December 31, 2018	For the year ended December 31, 2017
		₹ Crore	₹ Crore
C. Cash flow from financing activities			
Interest paid		(40.88)	(41.55)
Dividend paid	53	(281.68)	(319.24)
Dividend Distribution Tax paid	53	(57.90)	(64.99)
Net cash used in financing activities		(380.46)	(425.78)
Net increase in cash and cash equivalents		372.64	749.11
Add: Cash and cash equivalents at the beginning of the year	12	2,559.66	1,809.63
Add: Adjustment for gain on fair valuation of current financial assets measured at FVTPL	26	0.91	0.92
Cash and cash equivalents at the end of the year	12	2,933.21	2,559.66

See accompanying notes to the financial statements

Notes :1 Cash flow statement has been prepared under the indirect method as set out in Ind AS 7 on Cash Flow Statements.

2 Amendment to Ind AS 7 "Statement of Cash Flows"

Effective January 01, 2018, the Group adopted the amendment to Ind AS 7 "Statement of Cash Flows", which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of amendment did not have any impact on the financial statements.

In terms of our report attached

For and on behalf of the Board of Directors of ACC Limited,

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
ICAI Firm Registration No. 117366W/W-100018

N.S.SEKHSARIA
Chairman
DIN: 00276351
NEERAJ AKHOURY
Managing Director & CEO
DIN:07419090

ARUNKUMAR R GANDHI
Director
DIN: 00007597
SUSHIL KUMAR ROONGTA
Director
DIN:00309302

MARTIN KRIEGNER
Director
DIN:00077715
ASHWIN DANI
Director
DIN: 00009126

B P SHROFF
Partner
Membership No. 034382

SUNIL K. NAYAK
Chief Financial Officer

FARROKH K. KAVARANA
Director
DIN: 00027689

FALGUNI NAYAR
Director
DIN: 00003633

Mumbai, February 05, 2019

RAMASWAMI KALIDAS
Company Secretary
FCS - 2440

VIJAY KUMAR SHARMA
Director
DIN: 02449088

CHRISTOF HASSIG
Director
DIN: 01680305

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018

Company Overview and Significant Accounting Policies:

Corporate Information

ACC Limited ("the Company / Parent"), is a public company domiciled in India and was incorporated on August 01, 1936 under the provisions of the Companies Act, 1913 applicable in India. Its shares are listed on the National Stock Exchange of India (NSE) and the Bombay Stock Exchange Ltd. (BSE) of India. The registered office of the Company is located at Cement House, 121 Maharshi Karve Road, Mumbai – 400020, India.

The consolidated financial statements comprise the financial statements of ACC Limited ("the Company") and its subsidiaries (collectively, the Group).

The Group is principally engaged in the business of manufacturing and selling of Cement and Ready Mix Concrete. The Group has manufacturing facilities across India and caters mainly to the domestic market.

Information on the Group's structure is provided in Note - 36. Information on related party relationship of the Group is provided in Note - 43.

1. Significant Accounting Policies

(i) Statement of Compliance

These consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

These consolidated financial statements were approved for issue in accordance with the resolution of the Board of Directors on February 05, 2019.

(ii) Basis of Preparation

The consolidated financial statements comprises the financial statements of ACC Limited ("the Company / Parent") and its subsidiaries (collectively, the Group) for the year ended December 31, 2018.

These consolidated financial statements have been prepared on a historical cost basis, except for the following material items in the Consolidated Balance Sheet:

- a) Certain financial assets and liabilities are measured at fair value (refer Note 1 (xiv) for accounting policy on Financial Instruments);
- b) Non-current assets classified as held for sale are measured at lower of their carrying amount and fair value less cost to sell;
- c) Employees Defined benefit plans are recognised at the net total of the fair value of plan assets, and the present value of the defined benefit obligation as per actuarial valuation; and
- d) Investments in associates and joint ventures which are accounted for using the equity method.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services at the time of their acquisition

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

All assets and liabilities, for which fair value is measured or disclosed in the financial statements, are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- i. Level 1 — inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- ii. Level 2 — inputs other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- iii. Level 3 — inputs that are unobservable for the asset or liability

(iii) **Functional and Presentation Currency**

These consolidated financial statements are presented in Indian Rupees (₹) which is the functional currency of the Group.

Rounding of amounts

All amounts disclosed in the financial statements which also include the accompanying notes have been rounded off to the nearest Crore as per the requirement of Schedule III to the Companies Act 2013, unless otherwise stated.

(iv) **Basis of Consolidation**

- a) The consolidated financial statements incorporate the financial statements of the Company, entities controlled by the Company and its subsidiaries.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- i. Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- ii. Exposure, or rights, to variable returns from its involvement with the investee, and
- iii. The ability to use its power over the investee to affect its returns

- b) The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

- c) When the Group has less than majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- i. a contractual arrangement with the other vote holders of the investee
- ii. rights arising from other contractual arrangements
- iii. the Group's voting rights and potential voting rights
- iv. the size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders
- v. any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

- d) Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed off during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.
- e) The financial statements of all the entities used for the purpose of consolidation are drawn up to same reporting date as that of parent Company i.e. December 31, 2018.
- f) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's separate financial statements.
- g) Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity share holders of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.
- h) Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Group.
- i) When the Group loses control over a subsidiary, it:
 - i. Derecognises the assets (including goodwill) and liabilities of the subsidiary
 - ii. Derecognises the carrying amount of any non-controlling interests
 - iii. Recognises the fair value of the consideration received
 - iv. Recognises the fair value of any investment retained when control is lost. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109, or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.
 - v. Recognises any resulting difference as a gain or loss in the Consolidated Statement of Profit and Loss attributable to the parent.
 - vi. Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed off the related assets or liabilities
- j) Consolidation procedure:
 - i. Combines like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries.
 - ii. Offsets (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary (refer policy on business combinations for accounting for any related goodwill).
 - iii. Eliminates in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

eliminated in full). Deferred tax effects are given for temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions as per Ind AS 12 'Income Taxes'.

(v) Interests in associates and Joint arrangements

a) Interests in Associate

An Associate is an entity in which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. Significant influence is generally presumed to exist when the Group holds 20% or more of the voting power of an investee. Investments in associates are accounted for using equity method of accounting (refer point c below), after initially being recognised at cost.

b) Joint Arrangement

Interests in joint arrangements are interests over which the Group exercises joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations arising from the agreement rather than the legal structure of the joint arrangement.

i. Interests in Joint operation

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement.

When a group entity undertakes its activities under joint operations, the Group as a joint operator recognises in relation to its interest in a joint operation:

1. its assets, including its share of any assets held jointly;
2. its liabilities, including its share of any liabilities incurred jointly;
3. its revenue from the sale of its share of the output arising from the joint operation;
4. its share of the revenue from the sale of the output by the joint operation; and
5. its expenses, including its share of any expenses incurred jointly.

The Group account for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the Ind AS applicable to the particular assets, liabilities, revenues and expenses.

ii. Interests in Joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

Interests in joint ventures are accounted for using the equity method of accounting (refer point c below), after initially being recognised at cost.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

c) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in Group's profit and loss, and the Group's share of other comprehensive income of the investee in Group's other comprehensive income.

On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised directly in equity as capital reserve in the period in which the investment is acquired.

In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the Consolidated Statement of Changes in Equity. Unrealised gains resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the Group's interest in the associate or joint venture. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. The Group resumes recognising its share of profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the Consolidated Statement of Profit and Loss.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

The carrying amounts of equity accounted investments are tested for impairment in accordance with the accounting policy on impairment of non-financial assets.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of investment in associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in Consolidated Statement of Profit and Loss.

If the Group's ownership interest in a joint venture or an associate is reduced, but joint control or significant influence is retained, the Group reclassify to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be required to be reclassified to profit or loss on the disposal of the assets or liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

(vi) Business Combinations and Goodwill

Acquisition method

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition related costs are recognised in the Consolidated Statement of Profit and Loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- a) deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 'Income Taxes' and Ind AS 19 'Employee Benefits' respectively;
- b) liabilities or equity instruments related to share-based payment arrangements of the acquiree or share – based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 'Share-based Payments' at the acquisition date; and
- c) assets (or disposal Groups) that are classified as held for sale in accordance with Ind AS 105 'Non-Current Assets Held for Sale and Discontinued Operations' are measured in accordance with that standard.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognised in the Consolidated Statement of Profit and Loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 'Financial Instruments', is measured at fair value with changes in fair value recognised in Consolidated Statement of Profit and Loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill

Goodwill is measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

Bargain purchase

If the difference of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any previous interest held, over the net identifiable assets acquired and liabilities assumed is a deficit then the business combination is regarded as bargain purchase.

In case of bargain purchase, the Group determines whether there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. If such evidence exists, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognises any additional assets or liabilities that are identified in that reassessment. The Group then reviews the procedures used to measure the amounts that Ind AS requires for the purposes of calculating the bargain purchase. If the gain remains after this reassessment and review, the Group recognises it in other comprehensive income and accumulates the same in equity as Capital Reserve.

If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, the Group recognises the gain, after reassessing and reviewing, directly in equity as capital reserve.

Measurement period adjustments

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period (not more than one year from acquisition date), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

Business combination among entities under common control

Business combination involving entities or businesses under common control is accounted for using the pooling of interest method. Under pooling of interest method, the assets and liabilities of combining entities are reflected at their carrying amount and no adjustments are made to reflect fair values.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

(vii) Non-controlling interests ("NCI")

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another Ind AS.

(viii) Provisions and Contingencies

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

These estimates are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the Consolidated Financial Statements.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Group. The Group does not recognise a contingent asset (if any) but discloses in the Consolidated Financial Statements.

(ix) Classification of Current/Non-Current Assets and Liabilities

All the assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1 "Presentation of financial statements".

Assets:

An asset is classified as current when it satisfies any of the following criteria:

- a. it is expected to be realised in, or is intended for sale or consumption in, the Group's normal operating cycle;
- b. it is held primarily for the purpose of being traded;
- c. it is expected to be realised within twelve months after the reporting date; or
- d. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

Liabilities:

A liability is classified as current when it satisfies any of the following criteria:

- a. it is expected to be settled in the Group's normal operating cycle;
- b. it is held primarily for the purpose of being traded;

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

- c. it is due to be settled within twelve months after the reporting date; or
- d. the Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other assets/ liabilities are classified as non-current.

Based on the nature of products and the time between the acquisition of assets for processing and their realisation in Cash or Cash Equivalents, the Group has ascertained its normal operating cycle as twelve months for the purpose of Current / Non-current classification of assets and liabilities.

(x) **Property, Plant and Equipment**

Recognition and measurement

- a) Property, Plant and Equipment are stated at cost of acquisition / installation or construction less accumulated depreciation and impairment losses, if any (except freehold non-mining land which is carried at cost less impairment losses if any).

Cost comprises the purchase price, including import duties and non-refundable purchase taxes (net of taxes credit wherever applicable) and any directly attributable cost of bringing the asset to its working condition for its intended use, including relevant borrowing costs.

The present value of the expected cost for the decommissioning of an asset after its use, is included in the cost of the respective asset if the recognition criteria for a provision are met.

- b) Subsequent expenditures are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.
- c) When a major inspection is performed, its cost is recognised in the carrying amount of the Property, Plant and Equipment as a replacement if the recognition criteria are satisfied. All other repairs and maintenance are charged to the Consolidated Statement of Profit and Loss during the reporting period in which they are incurred.
- d) Spares which meet the definition of Property, Plant and Equipment are capitalised as on the date of acquisition. The corresponding old spares are decapitalised on such date with consequent impact in the Consolidated Statement of Profit and Loss.
- e) Property, Plant and Equipment not ready for the intended use on the date of Consolidated Balance Sheet are disclosed as "Capital work-in-progress". Such items are classified to the appropriate category of Property, Plant and Equipment when completed and ready for intended use. Advances given towards acquisition / construction of Property, Plant and Equipment outstanding at each Balance Sheet date are disclosed as Capital Advances under "Other non-current assets".
- f) An item of Property, Plant and Equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Consolidated Statement of Profit and Loss under "Other Income / Other Expenses" when the asset is derecognised.
- g) The Group had elected to continue with the carrying value of all its Property, Plant and Equipment as recognised in the Consolidated Financial Statements as at transition date to Ind AS, measured as per the Previous GAAP and use that as the deemed cost as at transition date pursuant to the exemption under Ind AS 101 'First-time Adoption of Indian Accounting Standards'.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

Depreciation and Amortisation

- a) Leasehold non-mining land held under finance lease is amortised over the period of lease on a straight line basis.
- b) Cost of mineral reserves embedded in the cost of freehold mining land is depreciated in the proportion of actual quantity of minerals extracted to the estimated quantity of extractable mineral reserves. Freehold non-mining land is not depreciated.
- c) Depreciation on Property, Plant and Equipment, other than plant and equipment assets related to Captive Power Plant (CPP assets), is provided using the straight line method and on CPP assets using the written down value method based on their respective estimated useful lives.

The Group identifies and determines cost of each component / part of the asset and depreciates separately, if the component / part have a cost which is significant to the total cost of the asset and has a useful life that is materially different from that of the remaining asset.

Estimated useful lives of assets are determined based on technical parameters / assessment, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

The estimated useful lives are as follows:

Assets	Useful Life
Buildings	3-60 years
Plant and Equipment	8-30 years
Railway sidings	8-15 years
Furniture & Fixtures and Office equipment	3-10 years
Vehicles	6-8 years

The useful life as estimated above is aligned to the prescribed useful life specified under Schedule II to the Companies Act, 2013 except useful life for computing depreciation is different in the following case:

Particulars	Useful Life estimated by the management	Useful Life as per Schedule II
Plant and Equipment related to Captive Power Plant	20 years	40 years

- d) Depreciation on additions to Property, Plant and Equipment is provided on a pro-rata basis from the date of acquisition or installation, and in the case of a new project, from the date of commencement of commercial production.
- e) Depreciation on an item of Property, Plant and Equipment sold, discarded, demolished or scrapped, is provided upto the date on which such item of Property, Plant and Equipment is sold, discarded, demolished or scrapped.
- f) Capitalised spares are depreciated over their own estimated useful life or the estimated useful life of the parent asset whichever is lower.
- g) The Group reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

- h) In respect of an asset for which impairment loss, if any, is recognised, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

(xi) Intangible Assets

Recognition and Measurement:

- a) Mining rights and computer software acquired are measured on initial recognition at cost. Cost comprises the purchase price (net of tax / duty credits availed wherever applicable) and any directly attributable cost of bringing the assets to its working condition for its intended use.

After initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

- b) An intangible asset is derecognised on disposal, or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an item of intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of such item of intangible asset and are recognised in the Consolidated Statement of Profit and Loss when the asset is derecognised.
- c) The Group had elected to continue with the carrying value of all its intangible assets as recognised in the Consolidated Financial Statements as at the date of transition to Ind AS, measured as per the Previous GAAP and use that as the deemed cost as at the transition date pursuant to the exemption under Ind AS 101 'First-time Adoption of Indian Accounting Standards'.

Amortisation

A summary of the policies applied to the intangible assets is, as follows:

Intangible assets	Useful life	Amortisation method used
Computer software	Finite (3 years)	Amortised on a straight-line basis over the useful life
Mining Rights		Over the period of the respective mining agreement

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Consolidated Statement of Profit and Loss unless such expenditure forms part of the carrying value of another asset.

(xii) Impairment of Non-Financial Assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For goodwill and intangible assets that have indefinite lives or which are not yet available for use, an impairment test is performed as at each Balance Sheet date (irrespective of impairment indicator) and whenever there is an indication that the asset may be impaired.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

The recoverable amount of an asset or cash-generating unit (CGU) is the higher of its value in use and its fair value less costs to sell. In assessing value in use, the estimated pre-tax future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or the cash-generating unit.

Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from the other assets or group of assets.

The future cash flows are derived from the detailed budgets and forecast for the next three years, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated.

An impairment loss is recognised in the Consolidated Statement of Profit and Loss if the estimated recoverable amount of an asset or its cash-generating unit is lower than its carrying amount.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the impairment loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Such reversal of impairment loss is recognised in the Consolidated Statement of Profit and Loss.

(xiii) Inventories

Inventories are valued after providing for obsolescence, as follows:

a) Raw Materials, Stores and Spare parts, Packing Material and Fuels

At lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis.

b) Work-in-progress, Finished goods and Stock-in-Trade

At lower of cost and net realisable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity, but excluding borrowing costs. Cost of Stock-in-Trade includes cost of purchase and other costs incurred in bringing the inventories to the present location and condition. Cost is determined on a weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

(xiv) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a) Financial assets

The Group's financial assets comprise the following:

- i. Current financial assets mainly consisting of (a) trade receivables, (b) mutual funds, (c) cash and bank balances, (d) investment in certificates of deposit, (e) fixed deposits with bank and financial institutions (f) other short-term receivables (including incentive receivable from Government) and deposits and (g) forward contract.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

- ii. Non-current financial assets mainly consisting of (a) financial investments – equity, bond and fixed deposits and (b) other long-term receivables (including incentive receivable from Government) and deposits.

Initial recognition and measurement

The Group recognises a financial asset in its Consolidated Balance Sheet when it becomes party to the contractual provisions of the instrument.

All financial assets are recognised initially at fair value, plus in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets are classified in the following categories:

- i. Financial assets at amortised cost

A 'financial asset' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Consolidated Statement of Profit and Loss. The losses arising from impairment are recognised in the Consolidated Statement of Profit and Loss. This category generally applies to trade and other receivables.

- ii. Financial assets at fair value through other comprehensive income (FVTOCI) unless the same are designated as FVTPL

A 'debt instrument' is classified as at the FVTOCI unless the same are designated as FVTPL, if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and
- b) The asset's contractual cash flows represent solely payments of principal and interest on the principal amount outstanding.

The Group does not own any financial asset classified at fair value through other comprehensive income.

- iii. Financial assets at fair value through profit or loss (FVTPL)

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for classification as at amortised cost or as fair value through other comprehensive income (FVTOCI), is classified as FVTPL.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

A Financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria, may be designated as at FVTPL as at initial recognition if such designation reduces or eliminates a measurement or recognition inconsistency (referred to as accounting mismatch'). The Group has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains and losses arising on remeasurement recognised in the Consolidated Statement of Profit and Loss. The net gain or loss recognised in Consolidated Statement of Profit and Loss incorporates any dividend or interest earned on the financial asset and is included in the 'other income' line item of Consolidated Statement of Profit and Loss.

Equity instruments

All equity investments in scope of Ind AS 109 "Financial Instruments" are measured at FVTPL with all changes in fair value recognised in the Consolidated Statement of Profit and Loss. The net gain or loss recognised in the Consolidated Statement of Profit and Loss incorporates any dividend earned on the equity instruments and is included in the 'Other Income' line item of the Consolidated Statement of Profit and Loss.

For all investments in equity instruments other than held for trading, at initial recognition, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to Consolidated Statement of Profit and Loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

The Group has not designated investment in any equity instruments as FVTOCI.

Derivative Financial Instruments:

The Group uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risk. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. Any changes therein are recognised in the Consolidated Statement of Profit and Loss unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the Consolidated Statement of Profit and Loss depends on the nature of the hedging relationship and the nature of the hedged item. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The Group does not hold derivative financial instruments for speculative purposes.

Derecognition of financial asset

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's financial statements) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

- a) the Group has transferred substantially all the risks and rewards of the asset, or
- b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

On derecognition of a financial asset, the difference between the carrying amount and the consideration received is recognised in the Consolidated Statement of Profit and Loss.

Impairment of financial assets

In accordance with Ind AS 109 "Financial Instruments", the Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) financial assets that are debt instruments, and are measured at amortised cost e.g. loans, debt securities, deposits, bond, incentive receivable from Government; and
- b) trade receivables.

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables resulting from transactions within the scope of Ind AS 18 "Revenue", if they do not contain a significant financing component.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL is the expected credit loss resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate (EIR).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the Consolidated Statement of Profit and Loss. This amount is reflected in a separate line in the Consolidated Statement of Profit and Loss under the head 'Other Expenses' as an impairment gain or loss.

For financial assets measured at amortised cost, ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

b) Financial liabilities and equity instruments

Classification as debt or equity

An instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in the Consolidated Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Dividend paid on equity instruments are directly reduced from equity.

Financial liabilities

The Group's current financial liabilities mainly comprise (a) borrowings (b) trade payables, (c) liability for capital expenditure, (d) security deposit, (e) other payables and (f) forward contract.

Initial recognition and measurement

The Group recognizes a financial liability in its Balance Sheet when it becomes party to the contractual provisions of the instrument.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or at amortised cost (loans and borrowings, and payables) as appropriate.

Subsequent measurement

Financial liabilities at amortised cost

This is the category most relevant to the Group. All the financial liabilities of the Group are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the Consolidated Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Consolidated Statement of Profit and Loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- a) such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- b) the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- c) it forms part of a contract containing one or more embedded derivatives and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

The Group does not owe any financial liability which is either classified or designated at fair value through profit or loss.

Derecognition of financial liabilities

A financial liability (or, where applicable, a part of a financial liability or part of a group of similar financial liability) is primarily derecognised (i.e. removed from the Consolidated Statement of Profit and Loss) when, and only when, the obligation under the liability is discharged or cancelled or expires.

An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Consolidated Statement of Profit and Loss.

Embedded derivatives

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Group does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 "Financial Instruments" to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in the Consolidated Statement of Profit and Loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows.

Offsetting a financial asset and a financial liability

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet when, and only when, there is a currently enforceable legal right to set off the recognised amounts and there is an intention to realise the assets and settle the liabilities simultaneously on a net basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

(xv) Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income/ interest expenses over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts/ payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

(xvi) Site restoration and other environmental provisions

The Group provides for the costs of restoring a site where a legal or constructive obligation exists. The estimated future costs for known restoration requirements are determined on a site-by-site basis and are calculated based on the present value of estimated future cash out flows.

The site restoration provision before exploitation of the raw materials has commenced is included in Property, Plant and Equipment and depreciated over the life of the related asset.

Changes in the measurement of a provision that result from changes in the estimated timing or amount of cash outflows, or a change in the discount rate, are added to or deducted from the cost of the related asset to the extent that they relate to the asset's installation, construction or acquisition.

The effect of any adjustments to the provision due to further environmental damage as a result of exploitation activities is recorded through the Consolidated Statement of Profit and Loss over the life of the related asset, in order to reflect the best estimate of the expenditure required to settle the obligation at the end of the reporting period. All provisions are discounted to their present value. The unwinding of the discount is recognised as a finance cost in the Consolidated Statement of Profit and Loss.

(xvii) Foreign Currency Transactions / Translations

These financial statements are presented in Indian Rupees (₹).

Transactions in currencies other than Group's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the date of transaction. At the end of the reporting period, monetary items denominated in foreign currencies are reported using the exchange rate prevailing as at reporting date. Non-monetary items denominated in foreign currencies which are carried in terms of historical cost are reported using the exchange rate at the date of the transaction.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the exchange rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or expenses in the year in which they arise.

(xviii) Revenue recognition

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably.

Revenue from the sale of goods includes excise duty and is measured at the fair value of the consideration received or receivable, net of returns, rebates and other similar allowances as applicable. The Group collects sales tax and value added tax (Pre GST) and Goods and Services tax (GST) on behalf of the government and, therefore, these are not economic benefits flowing to the Group. Hence, they are excluded from revenue.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

Rendering of services

Revenue from services is recognised with reference to the stage of completion of a contract when outcome can be measured reliably. Stage of completion is measured by the services performed till Balance Sheet date as a percentage of total services contracted.

Interest income and royalties

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable. Royalty income is recognised on an accrual basis in accordance with the substance of the relevant agreement.

Dividends

Dividend income from investments is recognised when the right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

(xix) Retirement and other employee benefits

a) Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

b) Defined Contribution Plans

Employee benefits in the form of contribution to Superannuation Fund, Provident Fund managed by Government Authorities, Employees State Insurance Corporation and Labour Welfare Fund are considered as defined contribution plans and the same are charged to the Consolidated Statement of Profit and Loss for the year in which the employee renders the related service.

c) Defined Benefit Plans

The Group's gratuity scheme, additional gratuity scheme and post-employment benefit scheme are considered as defined benefit plans. The Group's liability is determined on the basis of an actuarial valuation using the projected unit credit method as at the Balance Sheet date. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using discount rate with reference to the market yield on government bonds at the end of reporting period.

Defined benefit costs are categorised as follows:

- i. The current service cost of the defined benefit plans, recognised in the Consolidated Statement of Profit and Loss in employee benefits expense, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs, which comprise plan amendments and curtailments, as well as gains or losses on the settlement of pension benefits are recognised immediately in the Consolidated Statement of Profit and Loss when they occur.
- ii. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in Finance cost in the Consolidated Statement of Profit and Loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

- iii. Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to the Consolidated Statement of Profit and Loss in subsequent periods.

In respect of certain employees, provident fund contributions are made to a trust administered by the Group. Periodic contributions to the Fund are charged to the Consolidated Statement of Profit and Loss. The Group has an obligation to make good the shortfall, if any, between the return from the investment of the trust and interest rate notified by the Government of India. Such shortfall is recognised in the Consolidated Statement of Profit and Loss. The Group's liability is determined on the basis of an actuarial valuation using the projected unit credit method.

- d) Accumulated Compensated Absences

Accumulated compensated absences which are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service, are treated as short term employee benefits. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

- e) Other Long-term benefits

Long service awards and accumulated compensated absences which are not expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service are treated as other long term employee benefits for measurement purposes.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

The Group's liability is determined on the basis of an actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet. Re-measurements are immediately recognised in the Consolidated Statement of Profit and Loss.

- f) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates:

- i. when the Group can no longer withdraw the offer of those benefits; and
- i. when the Group recognises costs for a restructuring that is within the scope of Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets' and involves the payment of termination benefits.

In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

- g) Presentation and disclosure

For the purpose of presentation of Defined benefit plans, the allocation between the current and non-current provisions has been made as determined by an actuary. The Group presents the entire compensated absences as short term provisions, since employee has an unconditional right to avail the leave at any time during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

(xx) Non-current assets held for sale

The Group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable. Also, such assets are classified as held for sale only if the management expects to complete the sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and the fair value less cost to sell. Non-current assets are not depreciated or amortised.

(xxi) Borrowing Costs

Borrowing cost directly attributable to acquisition and construction of assets that necessarily takes substantial period of time are capitalised as part of the cost of such assets up to the date when such assets are ready for intended use or sale.

All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(xxii) Taxation

Tax expense comprises current tax and deferred income tax and includes any adjustments related to past periods in current and / or deferred tax adjustments that may become necessary due to certain developments or reviews during the relevant period.

Current income tax

Current income tax is measured at the amount expected to be paid to or recovered from the tax authorities in accordance with the Income Tax Act, 1961 including the relevant Transfer Pricing regulations prescribed thereunder, read with applicable judicial precedents or interpretations, wherever relevant.

Current income tax relating to items is recognised outside the Consolidated Statement of Profit and Loss is recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss, and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised only to the extent that it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets are reviewed at each Balance Sheet date. The Group writes-down the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain that sufficient future taxable income will be available.

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside Consolidated Statement of Profit and Loss is recognised outside Consolidated Statement of Profit and Loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to income tax levied by the same taxation authority.

Minimum alternate tax

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability and is considered as an asset if it is probable that future taxable profit will be available against which these tax credits can be utilized. Accordingly, MAT is recognised as deferred tax asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Group. MAT credit is reviewed at each Balance Sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

(xxiii) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Group as a lessee:

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

In respect of assets obtained on finance leases, assets are recognised at lower of the fair value at the date of acquisition and present value of the minimum lease payments. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating leases. Operating lease payments are recognised as an expense in the Consolidated Statement of Profit and Loss on a straight-line basis over the lease term unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Group as a lessor:

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases and included in Property, Plant and Equipment. Lease income is recognised in the Consolidated Statement of Profit and Loss on a straight-line basis over the lease term unless the payments are structured to increase in line with expected general inflation to compensate for the Group's expected inflationary cost increases. Costs, including depreciation, are recognised as an expense in the Consolidated Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc. incurred by the Group in negotiating and arranging an operating lease shall be added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

(xxiv) Segment Reporting

Identification of segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Group's Chief Operating Decision Maker ("CODM") to make decisions for which discrete financial information is available.

The board of directors of the Group has appointed Executive Committee (ExCo) which has been identified as being the CODM. The ExCo assesses the financial performance and position of the Group and makes strategic decisions.

The Group's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

Allocation of common costs

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Inter-segment transfers

Inter-segment revenue has been accounted for based on the transaction price agreed between segments which is based on current market prices.

Unallocated items

Revenue, expenses, assets and liabilities which relate to the Group as a whole and not allocable to segments on reasonable basis have been included under 'unallocated revenue / expenses / assets / liabilities'.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

Segment Policies

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the Consolidated Financial Statements of the Group as a whole.

Operating segment is reported in a manner consistent with the internal reporting provided to Chief Operating Decision Maker ("CODM").

(xxv) Cash and Cash equivalents

Cash and cash equivalents consist of cash and cheques on hand, cash at banks, demand deposits from banks and short-term, highly liquid instruments. As part of the Group's cash management policy to meet short term cash commitments, it parks its surplus funds in short-term highly liquid instruments that are held for a period of three months or less from the date of acquisition. These short-term highly liquid instruments are open-ended debt funds and certificates of deposit that are readily convertible into known amounts of cash and are subject to insignificant risk of changes in value.

(xxvi) Government Grants and Subsidies

- a) Grants and subsidies from the Government are recognised when there is reasonable assurance that the grant / subsidy will be received and all attaching conditions will be complied with.
- b) Government grants related to income under State Investment Promotion Scheme linked with VAT / GST payment, are recognised in the Consolidated Statement of Profit and Loss in the period in which they become receivable.
- c) Where the government grant / subsidy relates to revenue, it is recognised as income on a systematic basis in the Consolidated Statement of Profit and Loss over the periods necessary to match them with the related costs, which they are intended to compensate. Government grant and subsidy receivable against an expense are deducted from such expense.
- d) Where the grant or subsidy relates to an asset, it is recognised as income on a systematic basis over the expected useful life of the related asset.

(xxvii) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share are computed by dividing the profit after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on conversion of all dilutive potential equity shares.

(xxviii) Use of Estimates and Judgements

The preparation of the Group's Consolidated Financial Statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affects current and future period.

Revisions in estimates are reflected in the Consolidated financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the Consolidated financial statements.

The Group makes estimates and assumptions concerning the future. The estimates and assumptions that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are summarized below:

Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the recoverable amounts of cash-generating units have been determined based on value in use calculations. These calculations require the use of estimates such as discount rates and growth rates;

Defined benefit plans

The liabilities and costs for defined benefit pension plans and other post-employment benefits are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty;

Recognition of deferred tax assets

The recognition of deferred tax assets requires assessment of whether it is probable that sufficient future taxable profit will be available against which the deferred tax assets can be utilized;

Measurement of site restoration provisions

The measurement of site restoration provisions requires long-term assumptions regarding the phasing of the restoration work to be carried out and the appropriate discount rate to be used;

Provisions

Provisions are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events that can reasonably be estimated. The timing of recognition requires application of judgement to existing facts and circumstances which may be subject to change. The litigations and claims to which the Group is exposed are assessed by management and in certain cases with the support of external specialized lawyers.

The amounts are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability;

Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Group. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognised;

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

Fair value measurement of financial instruments

When the fair values of financial assets or financial liabilities recorded or disclosed in the financial statements cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility;

Useful lives of Property, Plant and Equipment

The Group uses its technical expertise along with historical and industry trends for determining the economic life of an asset / component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the asset;

Impairment of investments in joint ventures and associates

Determining whether the investments in joint ventures and associates are impaired requires an estimate of the value of use of investments. In considering the value in use, the management has anticipated the capacity utilization of plants, operating margins, mineable resources and availability of infrastructure of mines, and other factors of the underlying businesses / operations of the Companies. Any subsequent changes to the cash flows due to changes in the above mentioned factors could impact the carrying value of investments.

(xxix) New Ind AS that has been issued but not yet effective

On March 28, 2018, the Ministry of Corporate Affairs (MCA) notified the new revenue recognition standard, viz., Ind AS 115 "Revenue from Contracts with Customers". Ind AS 115 is applicable to the Group from January 01, 2019. As consequence of issue of Ind AS 115, other relevant Ind AS have been accordingly amended. The core principle of Ind AS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

It prescribes a five-step model to help entities decide the timing and amount of revenue recognition from contracts with customers.

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligation in contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. The Group will adopt the standard from January 01, 2019. The Group has completed its evaluation of the possible impact of Ind AS 115. Except for the disclosure requirements, application of above standard is not expected to have any significant impact on the Group's Financial Statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

NOTE 2. PROPERTY, PLANT AND EQUIPMENT

Refer Note 1 (x) for accounting policy on Property, Plant and Equipment

Particulars	GROSS CARRYING VALUE			ACCUMULATED DEPRECIATION			NET CARRYING VALUE		
	As at January 01, 2018	Additions	Disposals	As at December 31, 2018	As at January 01, 2018	Depreciation charge for the year	Disposals	As at December 31, 2018	As at December 31, 2017
Tangible Assets:									
Freehold Non-Mining Land	130.61	3.03	0.02	133.62	-	-	-	133.62	130.61
Freehold Mining Land	304.81	2.09	-	306.90	0.51	0.26	-	306.13	304.30
Leasehold Land	39.25	0.26	-	39.51	0.79	0.54	-	38.18	38.46
Buildings	1,615.26	49.06	2.76	1,661.56	142.86	78.95	1.37	220.44	1,441.12
Plant and Equipment	5,992.35	344.51	25.42	6,311.44	1,007.72	473.19	8.40	1,472.51	4,838.93
Railway Sidings	246.48	8.52	-	255.00	34.34	20.93	-	199.73	212.14
Furniture and Fixtures	25.61	2.61	0.96	27.26	9.10	3.89	0.35	12.64	14.62
Vehicles	57.09	11.95	0.40	68.64	17.76	9.92	0.28	27.40	39.33
Office equipment	53.25	6.49	0.57	59.17	27.17	10.91	0.52	37.56	26.08
Total	8,464.71	428.52	30.13	8,863.10	1,240.25	598.59	10.92	1,827.92	7,035.18

Particulars	GROSS CARRYING VALUE			ACCUMULATED DEPRECIATION			NET CARRYING VALUE		
	As at January 01, 2017	Additions	Disposals	As at December 31, 2017	As at January 01, 2017	Depreciation charge for the year	Disposals	As at December 31, 2017	As at December 31, 2016
Tangible Assets:									
Freehold Non-Mining Land	130.61	-	-	130.61	-	-	-	-	130.61
Freehold Mining Land	303.33	2.44	0.96	304.81	0.24	0.27	-	0.51	303.09
Leasehold Land	36.38	2.87	-	39.25	0.28	0.51	-	0.79	36.10
Buildings	1,580.62	35.77	1.13	1,615.26	65.23	77.91	0.28	142.86	1,515.39
Plant and Equipment	5,762.49	252.46	22.60	5,992.35	498.17	514.24	4.69	1,007.72	4,984.63
Railway Sidings	196.21	50.34	0.07	246.48	14.29	20.06	0.01	34.34	212.14
Furniture and Fixtures	23.42	2.58	0.39	25.61	4.70	4.52	0.12	9.10	16.51
Vehicles	50.63	7.01	0.55	57.09	8.72	9.29	0.25	17.76	39.33
Office equipment	46.40	7.30	0.45	53.25	13.98	13.56	0.37	27.17	26.08
Total	8,130.09	360.77	26.15	8,464.71	605.61	640.36	5.72	1,240.25	7,524.48

Notes:- Buildings include cost of shares ` 4,120 (Previous year - ` 4,120) in various Co-operative Housing Societies, in respect of 8 (Previous year - 8) residential flats.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

NOTE 3. OTHER INTANGIBLE ASSETS

Refer Note 1 (xi) for accounting policy on Intangible Assets

Particulars	GROSS CARRYING VALUE			ACCUMULATED AMORTISATION			NET CARRYING VALUE		
	As at January 01, 2018	Additions	Disposals	As at December 31, 2018	As at January 01, 2018	Amortisation charge for the year	Disposals	As at December 31, 2018	As at December 31, 2017
Intangible Assets :									
Computer Software	2.78	0.11	-	2.89	1.15	0.87	-	0.87	1.63
Mining Rights	43.76	1.91	-	45.67	5.36	3.76	-	36.55	38.40
Total	46.54	2.02	-	48.56	6.51	4.63	-	37.42	40.03

Particulars	GROSS CARRYING VALUE			ACCUMULATED AMORTISATION			NET CARRYING VALUE		
	As at January 01, 2017	Additions	Disposals	As at December 31, 2017	As at January 01, 2017	Amortisation charge for the year	Disposals	As at December 31, 2017	As at December 31, 2016
Intangible Assets :									
Computer Software	3.99	0.35	1.56	2.78	0.36	0.79	-	1.63	3.63
Mining Rights	26.98	16.78	-	43.76	2.89	2.47	-	38.40	24.09
Total	30.97	17.13	1.56	46.54	3.25	3.26	-	40.03	27.72

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

NOTE 4. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES ACCOUNTED FOR USING EQUITY METHOD

(measured at cost)

Refer Note 1 (v) for accounting policy on Investment in associates and joint ventures

Particulars	As at December 31, 2018		As at December 31, 2017	
	Numbers	` Crore	Numbers	` Crore
Investments in Unquoted equity instruments				
Investment in Associates				
Face value ` 10 each fully paid				
Alcon Cement Company Private Limited	4,08,001	13.67	4,08,001	13.76
Asian Concretes and Cements Private Limited	81,00,000	68.06	81,00,000	61.14
		81.73		74.90
Investment in Joint Ventures				
Face value ` 10 each fully paid				
OneIndia BSC Private Limited	25,01,000	5.81	25,01,000	4.23
Aakaash Manufacturing Company Private Limited	4,401	12.86	4,401	12.03
		18.67		16.26
Total		100.40		91.16
Aggregate amount of unquoted Investments		100.40		91.16

NOTE 5. NON-CURRENT INVESTMENTS

Refer Note 1 (xiv) for accounting policy on Investments

Particulars	As at December 31, 2018		As at December 31, 2017	
	Numbers	` Crore	Numbers	` Crore
Investment at fair value through profit or loss (FVTPL)				
Investment in equity instruments (fully paid)				
(i) Quoted				
Face value ` 2 each fully paid				
Shiva Cement Limited	-	-	2,36,50,000	28.35
Less: Sold during the previous year	-	-	2,36,50,000	28.35
		-		-
(ii) Unquoted*				
Face value ` 10 each fully paid				
Kanoria Sugar & General Mfg. Company Limited	4	-	4	-
Gujarat Composites Limited	60	-	60	-
Rohtas Industries Limited	220	-	220	-
The Jaipur Udyog Limited	120	-	120	-
Digvijay Finlease Limited	90	-	90	-
The Travancore Cement Company Limited	100	-	100	-
Ashoka Cement Limited	50	-	50	-
Face value ` 5 each fully paid				
The Sone Valley Portland Cement Company Limited	100	-	100	-
		-		-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

NOTE 5. NON-CURRENT INVESTMENTS (Contd.)

Particulars	As at December 31, 2018		As at December 31, 2017	
	Numbers	₹ Crore	Numbers	₹ Crore
Investment at amortized cost				
Investment in Unquoted bonds				
Face value ₹ 10,00,000 each fully paid				
5.13% Himachal Pradesh Infrastructure Development Board Bonds	37	3.70	37	3.70
Total		3.70		3.70
Notes (I) Aggregate value of unquoted investments		3.70		3.70
(II) * Each of such investments is carried at value less than ₹ 50,000				

Refer Note 49 for information about fair value measurement and Note 50 for credit risk and market risk of investments.

NOTE 6. NON CURRENT - LOANS

Considered Good - Unsecured, unless otherwise stated

Refer Note 1 (xiv) for accounting policy on Loans

Particulars	As at December 31, 2018		As at December 31, 2017	
		₹ Crore		₹ Crore
Security deposits		153.93		205.45
Loans and advances				
Considered good - Unsecured		4.02		3.91
Receivables which have significant increase in credit risk (Refer Note 46)		22.59		24.91
Less: Allowance for doubtful advances		(22.59)		(24.91)
		4.02		3.91
Loans to Employees		11.19		13.23
Total		169.14		222.59

Loans are non-derivative financial assets which generate a fixed or variable interest income for the Group. The carrying value may be affected by changes in the credit risk of the counterparties.

No loans are due from directors or other officers of the Group or any of them either severally or jointly with any other person. Further, no loans are due from firms or private companies in which any director is a partner, a director or a member.

Refer Note 50 for information about credit risk of loans.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

NOTE 7. OTHER NON-CURRENT FINANCIAL ASSETS

Refer Note 1 (xiv) for accounting policy on Financial Instruments

Particulars	As at December 31, 2018 ` Crore	As at December 31, 2017 ` Crore
Incentives under Government schemes (Refer Note - 55)	320.92	410.28
Bank deposits with more than 12 months maturity	0.26	0.06
Margin money deposit with more than 12 months maturity*	4.15	-
Total	325.33	410.34

*Margin money deposit is against bank guarantees given to Government authorities.

Refer Note 50 for information about credit risk of other financial assets.

NOTE 8. NON-CURRENT TAX ASSETS (NET)

Refer Note 1 (xxii) for accounting policy on Taxation

Particulars	As at December 31, 2018 ` Crore	As at December 31, 2017 ` Crore
Advance tax (Net of provision for tax) (Refer Note - 21)	674.97	296.95
Total	674.97	296.95

NOTE 9. OTHER NON-CURRENT ASSETS

Unsecured, Considered Good, unless otherwise stated

Particulars	As at December 31, 2018 ` Crore	As at December 31, 2017 ` Crore
Capital Advances	180.80	215.13
Advance other than Capital Advances		
Other claim receivables from Government		
Unsecured, considered good	156.02	146.50
Considered doubtful	4.32	4.38
Less: Allowance for doubtful receivables	(4.32)	(4.38)
	156.02	146.50
Deposits with Government bodies and others		
Unsecured, considered good	275.20	252.36
Considered doubtful	3.33	3.33
Less: Allowance for doubtful deposits	(3.33)	(3.33)
	275.20	252.36
Lease Prepayments	-	2.78
Total	612.02	616.77

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

NOTE 10. INVENTORIES

At lower of cost and net realisable value

Refer Note 1 (xiii) for accounting policy on Inventories

Particulars	As at December 31, 2018 ₹ Crore	As at December 31, 2017 ₹ Crore
Raw Materials {Including goods-in-transit ₹ 11.22 Crore (Previous year - ₹ 10.85 Crore)}	185.74	153.96
Work-in-progress	222.89	230.87
Finished goods	293.77	161.62
Stock-in-trade	0.98	0.17
Stores and spares {Including goods-in-transit ₹ 20.70 Crore (Previous year - ₹ 16.19 Crore)}	394.30	383.69
Packing Materials	21.83	25.79
Fuels {Including goods-in-transit ₹ 46.37 Crore (Previous year - ₹ 51.78 Crore)}	559.88	448.68
Total	1,679.39	1,404.78

The Group follows suitable provisioning norms for writing down the value of Inventories towards slow moving, non-moving and surplus inventory. Provision for slow and non moving Stores and Spares in the current year is ₹ 4.42 Crore. In the previous year reversal of write-down of inventories of ₹ 6.39 Crore was consequent to consumption of inventories which were earlier written down.

NOTE 11. TRADE RECEIVABLES

Refer Note 1 (xiv) for accounting policy on Trade receivables

Particulars	As at December 31, 2018 ₹ Crore	As at December 31, 2017 ₹ Crore
Considered good - Secured	105.90	85.38
Considered good - Unsecured	761.47	580.59
Receivables which have significant increase in credit risk (Refer Note - 50(i))	24.65	29.03
	892.02	695.00
Less : Allowance for doubtful receivables	(24.65)	(29.03)
Total	867.37	665.97

No trade receivables are due from directors or other officers of the Group or any of them either severally or jointly with any other person. Further, no trade receivables are due from firms or private companies in which any director is a partner, a director or a member.

Refer Note 50 for information about credit risk of trade receivables.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

NOTE 12. CASH AND CASH EQUIVALENTS

Refer Note 1 (xxv) for accounting policy on Cash and Cash Equivalents

Particulars	As at December 31, 2018 ₹ Crore	As at December 31, 2017 ₹ Crore
Balances with banks:		
- In current accounts	97.26	176.27
- Deposits with original maturity of less than three months	1,078.19	500.14
	1,175.45	676.41
Cheques on hand*	98.66	34.24
Cash on hand	-	0.01
Deposit with other than banks with original maturity of less than three months	100.00	100.00
Post office saving accounts	0.01	0.01
	1,374.12	810.67
Investments in liquid mutual funds measured at FVTPL	722.99	984.16
Certificates of deposit with original maturity of less than three months	836.10	764.83
Total	2,933.21	2,559.66

*Cheques on hand are cleared subsequent to the year end.

NOTE 13. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	As at December 31, 2018 ₹ Crore	As at December 31, 2017 ₹ Crore
Other bank balances:		
*Deposits with original maturity for more than 3 months but less than 12 months	115.21	121.55
**Margin money deposits with original maturity for more than 3 months but less than 12 months	13.93	15.69
#On unpaid dividend account	34.63	31.65
Total	163.77	168.89

* Includes fixed deposit with lien in favour of National Company Law Appellate Tribunal (NCLAT) ₹ 114.76 Crore {(Previous year - ₹ 121.21 Crore) - Refer Note - 41 (A) (a)}.

** Margin money deposit is against bank guarantees given to Government authorities.

These balances are available for use only towards settlement of corresponding unpaid dividend liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)**NOTE 14. CURRENT - LOANS**

Considered good - unsecured

Refer Note 1 (xiv) for accounting policy on Loans

Particulars	As at December 31, 2018 ` Crore	As at December 31, 2017 ` Crore
Security deposits	72.01	35.26
Loan to employees	5.29	6.14
Total	77.30	41.40

No loans are due from directors or other officers of the Group or any of them either severally or jointly with any other person. Further, no loans are due from firms or private companies in which any director is a partner, a director or a member.

Refer Note 50 for credit risk of loans.

NOTE 15. OTHER CURRENT FINANCIAL ASSETS

Refer Note 1 (xiv) for accounting policy on Financial Instruments

Particulars	As at December 31, 2018 ` Crore	As at December 31, 2017 ` Crore
Incentives under Government schemes (Refer Note - 55)	208.02	-
Interest Accrued on Investments	16.80	7.70
Other Accrued Interest	1.86	1.18
Total	226.68	8.88

Refer Note 50 for credit risk of other financial assets.

NOTE 16. OTHER CURRENT ASSETS

Considered Good - Unsecured, unless otherwise stated

Particulars	As at December 31, 2018 ` Crore	As at December 31, 2017 ` Crore
Advances other than capital advances		
Advances to suppliers	324.21	430.74
Prepaid expenses	25.00	22.42
Other receivables		
Balances with statutory/ government authorities	333.44	292.84
Lease Prepayments	-	3.72
Others	42.52	42.54
Other receivables which have significant increase in credit risk (Refer Note - 46)	17.72	17.72
	60.24	60.26
Less: Allowance for doubtful receivables	(17.72)	(17.72)
	42.52	42.54
Total	725.17	792.26

No advances are due from directors or other officers of the Group or any of them either severally or jointly with any other person. Further, no advances are due from firms or private companies in which any director is a partner, a director or a member.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

NOTE 17. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

Refer Note 1 (xx) for accounting policy on Non-current assets held for sale

Particulars	As at December 31, 2018 ₹ Crore	As at December 31, 2017 ₹ Crore
Plant and equipment (i)	6.44	7.69
Building (ii)	5.11	5.39
Total	11.55	13.08

- (i) The Group intends to dispose off plant and equipment in the next 12 months which it no longer intends to utilise. It was previously used in its manufacturing facility at plants. A selection of potential buyers is underway. No impairment loss was recognised on reclassification of the plant and equipment as held for sale and the Group expects the fair value less cost to sell to be higher than carrying amount.
- (ii) The Group intends to dispose off buildings (mainly residential flats) in the next 12 months which it no longer intends to utilise. These were previously used for residential purpose. A selection of potential buyers is underway. Impairment loss of ₹ 0.28 Crore (Previous year - ₹ 0.28 Crore) is recognised in the Consolidated Statement of Profit and Loss under other expenses.

NOTE 18. EQUITY SHARE CAPITAL

Particulars	As at December 31, 2018 ₹ Crore	As at December 31, 2017 ₹ Crore
Authorised		
22,50,00,000 (Previous year - 22,50,00,000) Equity shares of ₹ 10 each	225.00	225.00
10,00,00,000 (Previous year - 10,00,00,000) Preference shares of ₹ 10 each	100.00	100.00
Issued		
18,87,93,243 (Previous year - 18,87,93,243) Equity shares of ₹ 10 each	188.79	188.79
Subscribed & Paid-up		
18,77,87,263 (Previous year - 18,77,87,263) Equity shares of ₹ 10 each fully paid	187.79	187.79
Add : 3,84,060 (Previous year - 3,84,060) Equity shares of ₹ 10 each forfeited - amount originally paid	0.20	0.20
Total	187.99	187.99

i) Reconciliation of number of equity shares outstanding

Particulars	Equity shares	
	No. of shares	₹ Crore
As at January 01, 2017	18,77,87,263	187.79
Increase/ (decrease) during the year	-	-
As at December 31, 2017	18,77,87,263	187.79
Increase/ (decrease) during the year	-	-
As at December 31, 2018	18,77,87,263	187.79

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

NOTE 18. EQUITY SHARE CAPITAL (Contd.)

ii) Terms / rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

iii) Equity shares held by holding company/ ultimate holding company and/ or their subsidiaries/ associates

Particulars	As at December 31, 2018 ₹ Crore	As at December 31, 2017 ₹ Crore
Ambuja Cements Limited, the Holding company 9,39,84,120 (Previous year - 9,39,84,120) Equity shares ₹ 10 each fully paid	93.98	93.98
Holderind Investments Ltd, Mauritius, the holding company of Ambuja Cements Limited 84,11,000 (Previous year - 84,11,000) Equity shares ₹ 10 each fully paid	8.41	8.41

Companies referred above are subsidiaries of LafargeHolcim Ltd, Switzerland, the ultimate holding company.

iv) Details of shareholders holding more than 5% shares in the Company

Particulars	As at December 31, 2018		As at December 31, 2017	
	No. of shares	% holding	No. of shares	% holding
Ambuja Cements Limited, the holding company	9,39,84,120	50.05	9,39,84,120	50.05
Life Insurance Corporation of India	1,94,05,142	10.33	1,94,05,142	10.33

v) There are no shares allotted as fully paid up by way of bonus shares or allotted as fully paid up pursuant to contract without payment being received in cash, or bought back during the period of five years immediately preceding the reporting date.

There are no securities which are convertible into equity shares.

NOTE 19. OTHER EQUITY

Refer Statement of Changes in Equity for detailed movement in Equity balance.

Particulars	As at December 31, 2018 ₹ Crore	As at December 31, 2017 ₹ Crore
Securities Premium	845.03	845.03
General Reserve	2,796.78	2,796.78
Retained earnings	6,702.10	5,526.05
	10,343.91	9,167.86

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

NOTE 19. OTHER EQUITY (Contd.)

The description of the nature and purpose of each reserve within equity is as follows:

Securities Premium: The amount received in excess of face value of the equity shares is recognised in Securities Premium. The reserve is utilised in accordance with the specific provisions of the Companies Act, 2013.

General Reserve: The General Reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General Reserve will not be reclassified subsequently to the Consolidated Statement of Profit and Loss. As per Companies Act 2013, transfer of profits to General Reserve is not mandatory. General Reserve is a free reserve available to the Group.

Retained Earnings: Retained earnings are the profits that the Group has earned till date, less any transfers to General Reserve, dividends or other distributions paid to shareholders. Retained Earnings includes re-measurement loss / (gain) on defined benefit plans, net of taxes that will not be reclassified to Profit and Loss. Retained Earnings is a free reserve available to the Group.

NOTE 20. NON-CURRENT PROVISIONS

Refer Note 1 (viii) for accounting policy on provisions

Refer Note 1 (xvi) for accounting policy on Site restoration provisions

Particulars	As at December 31, 2018 ` Crore	As at December 31, 2017 ` Crore
Provision for employee benefits		
Provision for gratuity and staff benefit schemes (Refer note - 38)	103.36	104.49
Provision for long service award	3.85	5.45
Other provisions		
Provision for Site Restoration	33.08	32.85
Total	140.29	142.79

NOTE 20.1 - Movement of provisions during the year as required by Ind AS 37 "Provisions, Contingent Liabilities and Contingent Asset" specified under Section 133 of the Companies Act, 2013:

Particulars	As at December 31, 2018 ` Crore	As at December 31, 2017 ` Crore
Opening Balance	32.85	30.82
Provision / (reversal) during the year (net)	(1.62)	0.71
Utilised during the year	(0.13)	(0.28)
Unwinding of discount and changes in the discount rate	1.98	1.60
Closing Balance	33.08	32.85

Provision for Site Restoration

Site restoration expenditure is incurred on an ongoing basis until the closure of the site. The actual expenses may vary based on the nature of restoration and the estimate of restoration expenditure.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

NOTE 21. INCOME TAX

Refer Note 1 (xxii) for accounting policy on Taxation

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for December 31, 2018:

Particulars	Year ended December 31, 2018		Year ended December 31, 2017	
	₹ Crore	In %	₹ Crore	In %
Profit before share of profit of associates and joint ventures and tax	1,499.79		1,299.14	
At India's statutory income tax rate	524.03	34.94%	449.63	34.61%
Effect of Allowances for tax purpose				
Investment allowance on new plant and Machinery under section 32 AC (Refer Note 1 below)	-	-	(33.29)	(2.56%)
Tax Holiday claim under section 80-IA	(52.29)	(3.49%)	(54.92)	(4.23%)
Effect of Non-Deductible expenses				
Corporate social responsibility expenses	7.13	0.48%	7.55	0.58%
Others (including effect of change in tax rate)	11.63	0.78%	18.23	1.41%
Effect of Tax Exempt Income - Dividend	(0.38)	(0.03%)	(1.65)	(0.13%)
	(33.91)	(2.26%)	(64.08)	(4.92%)
At the effective income tax rate	490.12	32.68%	385.55	29.68%
Tax adjustments for earlier years (Refer Note 2 below)	(500.63)	(33.38%)	-	-
Income tax expense reported in the Consolidated Statement of Profit and Loss	(10.51)	(0.70%)	385.55	29.68%

The tax rate used for reconciliation above is the corporate tax rate payable by corporate entities in India on taxable profits under Indian tax law.

- The Group was eligible for Investment allowance on new plant and machinery which was applicable upto assessment year 2017-18.
- Tax adjustments for earlier years**

The Group was entitled to incentives in the form of excise duty benefit for its Galgal Plant in the state of Himachal Pradesh, in respect of Income Tax Assessment Years 2006-07 to 2015-16. The Group contended in its income tax returns that the said incentives are in the nature of capital receipts, and hence not liable to income tax. The Income Tax department had, for the assessment years 2006-07 to 2012-13, consistently not accepted this position and appeals were filed by the Group against the orders of the Assessing officer, with the Commissioner of Income Tax – Appeals (CIT-A). The Group had received favourable order from the assessing officer in one instance (Assessment Year 2013-14), but considering the several unfavourable orders by the tax department, the Group had up to December 31, 2017, classified the risk of an ultimate outflow of economic benefits for this matter as probable and provided for the same.

During the current year, the CIT-A decided the issue in favour of the Group for two assessment years, 2008-09 and 2012-13. Appeals in respect of these two and other years are pending with different levels of appellate authorities for disposal. Additionally for the Assessment year 2014-15, the department had accepted the Group's contention that these incentives are capital receipts in the assessment order received during the current year. During the current year, however, for the two assessment years with favourable orders by the Assessing officer, the department has issued show cause notices for revisionary proceedings under Section 263 of the Income-tax Act, 1961 in respect of this claim, which are being contested.

In view of the series of repeated favourable orders from the tax department, in the current year the Group again reviewed the matter and, after considering the legal merits of the Group's claim, including inter-alia, the ratio of the decisions of Hon'ble Supreme Court, and the pattern of favourable orders by the department including favourable disposal of the Group's appeal by the CIT-A during the current year, as mentioned above, the Group has reassessed the risk and concluded that the risk of an ultimate outflow of economic benefits for this matter is no longer probable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

NOTE 21. INCOME TAX (Contd.)

Accordingly the Group has reversed the existing provisions of ₹ 500.63 Crore resulting in reduction in Current Tax Liabilities by ₹ 200.30 Crore, increase in MAT Credit Entitlement (net) of ₹ 34.72 Crore and an increase in Non-Current Tax Assets (net) by ₹ 265.61 Crore.

Pending final legal closure of this matter the said amount has been disclosed under contingent liabilities in the financial statements.

Deferred tax:

Deferred tax relates to the following:

Particulars	As at	As at
	December 31, 2018	December 31, 2017
	₹ Crore	₹ Crore
Deferred Tax Liabilities:		
Depreciation and amortisation differences	895.92	862.29
Deferred tax Liabilities on undistributed profit of associates and joint ventures	10.73	9.07
	906.65	871.36
Deferred Tax Assets:		
Provision for employee benefits	47.37	41.71
Expenditure debited in the Consolidated Statement of Profit and Loss but allowed for tax purposes in the following years	103.81	105.47
Allowance for obsolescence of Stores and Spares	9.88	9.88
Allowance for doubtful debts, advances and other assets	11.79	13.07
MAT credit entitlement	22.67	115.73
Other temporary differences	36.56	33.94
	232.08	319.80
Net Deferred Tax Liabilities	674.57	551.56

The major components of deferred tax liabilities / assets arising on account of timing differences are as follows:

Particulars	₹ Crore				
	Net Balance as on January 01, 2018	Recognised in the Consolidated Statement of Profit and Loss	Recognised in OCI	MAT Credit utilised	Net Balance as on December 31, 2018
Deferred Tax Liabilities:					
Depreciation and amortisation differences	862.29	33.63	-	-	895.92
Deferred tax liabilities on undistributed profit of associates and joint ventures	9.07	1.66	-	-	10.73
	871.36	35.29	-	-	906.65
Deferred Tax Assets:					
Provision for employee benefits	41.71	3.06	2.60	-	47.37
Expenditure debited in Consolidated Statement of Profit and Loss but allowed for tax purposes in the following years	105.47	(1.66)	-	-	103.81
Allowance for obsolescence of Stores and Spares	9.88	-	-	-	9.88

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

NOTE 21. INCOME TAX (Contd.)

Particulars	Net Balance as on January 01, 2018	Recognised in the Consolidated Statement of Profit and Loss	Recognised in OCI	MAT Credit utilised	Net Balance as on December 31, 2018
Allowance for doubtful receivables and other assets	13.07	(1.28)	-	-	11.79
MAT credit entitlement*	115.73	-	-	(93.06)	22.67
Other temporary differences	33.94	2.62	-	-	36.56
	319.80	2.74	2.60	(93.06)	232.08
Net Deferred Tax Liabilities	551.56	32.55	(2.60)	93.06	674.57

*MAT Credit utilised is net of MAT Credit Entitlement of ₹ 34.72 Crore increased on account of tax adjustments for earlier years as stated above.

₹ Crore

Particulars	Net Balance as on January 01, 2017	Recognised in the Consolidated Statement of Profit and Loss	Recognised in OCI	MAT Credit utilised	Net Balance as on December 31, 2017
Deferred Tax Liabilities:					
Depreciation and amortisation differences	776.99	85.30	-	-	862.29
Deferred Tax Liabilities on undistributed profit of associates and Joint venture	7.83	1.24	-	-	9.07
	784.82	86.54	-	-	871.36
Deferred Tax Assets:					
Provision for employee benefits	44.08	(1.12)	(1.25)	-	41.71
Expenditure debited in the Consolidated Statement of Profit and Loss but allowed for tax purposes in the following years	105.59	(0.12)	-	-	105.47
Allowance for obsolescence of Stores and Spares	9.88	-	-	-	9.88
Allowance for doubtful receivables and other assets	17.27	(4.20)	-	-	13.07
MAT credit entitlement	117.70	59.13	-	(61.10)	115.73
Other temporary differences	33.99	(0.05)	-	-	33.94
	328.51	53.64	(1.25)	(61.10)	319.80
Net Deferred Tax Liabilities	456.31	32.90	1.25	61.10	551.56

At the end of the reporting period, the aggregate amount of temporary differences associated with undistributed earnings of the subsidiaries for which deferred tax liabilities have not been recognised is ₹ 20.87 Crore (Previous Year - ₹ 18.10 Crore). No liability has been recognised in respect of these differences because management controls the distributions of the earnings of the subsidiaries to the holding company and it has no intention to distribute the earnings of the subsidiaries.

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set-off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities related to income taxes levied by the same tax authority.

The Group expects to utilize the MAT credit within the next year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

NOTE 21. INCOME TAX (Contd.)

The Subsidiaries having the following unused tax losses which arose on incurrence of business losses under the Income Tax for which no deferred tax asset has been recognised in the Balance Sheet.

Financial Year	Category	₹ Crore	Expiry date
2010-11	Business Loss	0.09	March 31, 2019
2011-12	Business Loss	0.35	March 31, 2020
2012-13	Business Loss	0.86	March 31, 2021
2013-14	Business Loss	1.03	March 31, 2022
2014-15	Business Loss	0.27	March 31, 2023
2015-16	Business Loss	0.21	March 31, 2024
2016-17	Business Loss	0.95	March 31, 2025
2016-17	Depreciation	0.11	Not Applicable
2017-18	Business Loss	1.52	March 31, 2026
2017-18	Depreciation	0.06	Not Applicable
Total		5.45	

The above information is based on the returns of income filed by the individual subsidiary companies upto assessment year 2018-2019.

NOTE 22. OTHER CURRENT FINANCIAL LIABILITIES

Refer Note 1 (xiv) for accounting policy Financial Instruments

Particulars	As at December 31, 2018 ₹ Crore	As at December 31, 2017 ₹ Crore
Financial Liabilities at amortised cost		
Interest accrued	24.18	18.17
Unpaid dividend*	34.63	31.65
Security deposits and retention money	553.55	530.73
Liability for capital expenditure	69.68	62.21
Others	92.31	78.58
Financial Liabilities at fair value		
Foreign currency forward contract	1.19	-
Total	775.54	721.34

*Does not include any amounts due and outstanding to be credited to Investor Education and Protection Fund on the basis of the information available with the Group.

NOTE 23. OTHER CURRENT LIABILITIES

Particulars	As at December 31, 2018 ₹ Crore	As at December 31, 2017 ₹ Crore
Statutory dues payable	575.85	595.80
Advances from customers	226.86	188.73
Other payables (including Rebates to customers, interest on income tax, etc.)	991.92	953.44
Total	1,794.63	1,737.97

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

NOTE 24. CURRENT PROVISIONS

Refer Note 1 (viii) for accounting policy on provisions

Particulars	As at December 31, 2018 ₹ Crore	As at December 31, 2017 ₹ Crore
Provision for employee benefits		
Provision for gratuity and staff benefit schemes (Refer Note - 38)	18.16	29.55
Provision for compensated absences	8.12	20.81
Provision for long service award	1.02	0.83
Total	27.30	51.19

NOTE 25. REVENUE FROM OPERATIONS

Refer Note 1 (xviii) for accounting policy on Revenue Recognition

Particulars	For the year ended December 31, 2018 ₹ Crore	For the year ended December 31, 2017 ₹ Crore
Sale of products (including excise duty)*	14,470.19	13,837.51
Income from services rendered	7.28	9.03
Sale of products and services	14,477.47	13,846.54
Other Operating Revenue		
Provision no longer required written back	24.69	11.29
Scrap Sales	42.88	29.26
Incentives**	162.31	151.57
Miscellaneous income (including insurance claim, other services, etc.)	94.27	162.06
Total	14,801.62	14,200.72

*The Government of India introduced the Goods and Services Tax (GST) with effect from July 01, 2017.

Sales for the previous year include excise duty up to June 30, 2017 of ₹ 937.60 Crore

Excise Duty expense of ₹ 915.59 Crore upto June 30, 2017 is shown separately on the face of the Consolidated Statement of Profit and Loss. Excise duty expense includes excise duty variation on opening and closing stock.

** Government grants have been accrued for the GST / VAT refund claim under various State Investment Promotion Schemes. There are no unfulfilled conditions or contingencies attached to these grants.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

NOTE 26. OTHER INCOME

Particulars	For the year ended December 31, 2018 ₹ Crore	For the year ended December 31, 2017 ₹ Crore
Interest income using the effective interest rate method		
Interest on bank deposits	94.11	67.14
Interest on income tax	0.10	14.86
Other interest income	10.69	9.87
Other non-operating Income	104.90	91.87
Gain on sale of current financial assets measured at FVTPL	35.91	25.75
Net gain on fair valuation of current financial assets measured at FVTPL*	0.91	0.92
Gain on sale of non - current financial assets measured at FVTPL	-	10.32
Net gain on disposal of Property, Plant and Equipment	0.94	-
	37.76	36.99
Total	142.66	128.86

* These instruments are mandatorily measured at fair value through profit or loss in accordance with Ind AS 109.

NOTE 27. COST OF MATERIALS CONSUMED

Particulars	For the year ended December 31, 2018 ₹ Crore	For the year ended December 31, 2017 ₹ Crore
Inventories at the beginning of the year	153.96	131.07
Add: Purchases	2,399.95	2,002.93
	2,553.91	2,134.00
Less: Inventories at the end of the year	185.74	153.96
Total	2,368.17	1,980.04

Details of cost of materials consumed

Particulars	For the year ended December 31, 2018 ₹ Crore	For the year ended December 31, 2017 ₹ Crore
Slag	464.91	326.94
Gypsum	356.25	343.23
Fly Ash	455.30	384.54
Cement	105.75	82.92
Aggregates	238.55	195.59
Others*	747.41	646.82
Total	2,368.17	1,980.04

*Includes no item which in value individually accounts for 10 percent or more of the total value of cost of materials consumed.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

NOTE 28. PURCHASES OF STOCK-IN-TRADE

Particulars	For the year ended December 31, 2018 ₹ Crore	For the year ended December 31, 2017 ₹ Crore
Cement	79.32	0.16
Ready Mix Concrete	9.94	0.68
Total	89.26	0.84

NOTE 29. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

Particulars	For the year ended December 31, 2018 ₹ Crore	For the year ended December 31, 2017 ₹ Crore
Inventories at the end of the year		
Stock-in-Trade	0.98	0.17
Finished Goods	293.77	161.62
Work-in-progress	222.89	230.87
	517.64	392.66
Inventories at the Beginning of the year		
Stock-in-Trade	0.17	0.02
Finished Goods	161.62	139.00
Work-in-progress	230.87	238.74
	392.66	377.76
Total	(124.98)	(14.90)

NOTE 30. EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended December 31, 2018 ₹ Crore	For the year ended December 31, 2017 ₹ Crore
Salaries and Wages*	775.99	711.22
Contributions to Provident and other Funds	58.09	58.20
Staff welfare expenses	49.50	51.94
Total	883.58	821.36

* Salaries and Wages expense for the year ended December 31, 2018 include ₹ 70.37 Crore (Previous year - Nil) on account of charge for Employee Separation Scheme.

NOTE 31. FREIGHT AND FORWARDING EXPENSE

Particulars	For the year ended December 31, 2018 ₹ Crore	For the year ended December 31, 2017 ₹ Crore
On clinker transfer	515.82	480.83
On finished products	3,477.00	2,952.92
Total	3,992.82	3,433.75

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

NOTE 32. FINANCE COSTS

Particulars	For the year ended December 31, 2018 ` Crore	For the year ended December 31, 2017 ` Crore
Interest		
On Income tax	29.59	52.99
On Defined benefit obligation (net) (Refer Note - 38)	9.31	8.22
Interest on deposits from dealers	28.89	24.14
Interest on Royalty on limestone	10.31	-
Others	7.69	11.58
Unwinding of discount on site restoration provision (Refer Note - 20.1)	1.98	1.60
Total	87.77	98.53

NOTE 33. DEPRECIATION AND AMORTISATION EXPENSE

Particulars	For the year ended December 31, 2018 ` Crore	For the year ended December 31, 2017 ` Crore
Depreciation on Property, Plant and Equipment	598.59	640.36
Amortisation of intangible assets	4.63	3.26
Total	603.22	643.62

NOTE 34. OTHER EXPENSES

Particulars	For the year ended December 31, 2018 ` Crore	For the year ended December 31, 2017 ` Crore
Consumption of stores and spare parts	319.56	331.92
Consumption of packing materials	502.59	434.36
Rent	137.11	139.79
Rates and taxes	152.11	152.45
Repairs	174.98	175.24
Insurance	21.53	22.07
Royalty on minerals (Refer Note 1 below)	271.54	225.74
Advertisement	72.10	87.42
Technology and know-how fees	144.46	128.37
Impairment losses on financial assets {(including reversals of impairment losses) (Refer Note - 50(i))}	5.39	2.20
Corporate Social Responsibility expense (Refer Note 3 below)	20.45	21.82
Miscellaneous expenses (Refer Note 2 below)	724.71	719.42
Total	2,546.53	2,440.80

Notes

- Royalties on minerals expense is net of ` Nil (Previous year - ` 34.20 Crore) related to provision for contribution towards District Mineral Foundation (DMF) under the Mines and Minerals (Development and Regulation) Amendment Act, 2015, written back on the basis of Supreme Court's favourable Judgement dated October 23, 2017.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

NOTE 34. OTHER EXPENSES (Contd.)

2. (i) Does not include any item of expenditure with a value of more than 1% of Revenue from operations.
 - (ii) Miscellaneous expenses includes Grinding facility charges, Commission on sales, Information technology services, Traveling expenses, Other third party services, etc.
 - (iii) Miscellaneous expenses includes net loss of ₹ 3.23 Crore (Previous year - ₹ 4.23 Crore) on foreign currency transaction and translation.
 - (iv) Miscellaneous expenses includes net loss of ₹ 2.12 Crore (Previous year - ₹ Nil) on foreign currency forward contract.
 - (v) Miscellaneous expenses includes Loss on sale / write off of Property, Plant and Equipment (net) of ₹ Nil (Previous year - ₹ 2.93 Crore).
3. Details of Corporate Social Responsibility expenses:
The Group has spent ₹ 20.45 Crore (Previous Year - ₹ 21.82 Crore) towards various schemes of Corporate Social Responsibility. The details are:
- (a) The amount required to be spent under Section 135 of the Companies Act, 2013 for the year is ₹ 19.60 Crore (Previous year - ₹ 18.73 Crore) i.e. 2% of average net profits for last three financial years, calculated as per section 198 of the Companies Act, 2013.
 - (b) No amount has been spent on construction / acquisition of an asset of the Group.

NOTE 35. EARNINGS PER SHARE (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity share holders of the parent by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity share holders of the parent by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	For the year ended December 31, 2018 ₹ Crore	For the year ended December 31, 2017 ₹ Crore
Profit attributable to equity share holders (as per Consolidated Statement of Profit and Loss)	1,520.47	924.41
Weighted average number of equity shares for Earnings Per Share computation		
Number of shares for Basic Earnings Per Share	18,77,87,263	18,77,87,263
Effect of dilution:		
Number of shares held in abeyance (Movement in number of shares is on account of change in average fair value of share)	4,55,189	4,76,618
Weighted average number of Equity shares adjusted for the effect of dilution	18,82,42,452	18,82,63,881
Earnings per share		
Face value per share	₹ 10.00	₹ 10.00
Basic	₹ 80.97	₹ 49.23
Diluted	₹ 80.77	₹ 49.10

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

NOTE 35: EARNINGS PER SHARE (EPS) (Contd.)

The following reflects the basic and diluted EPS computations excluding "Tax adjustments for earlier years".

Particulars	For the year ended December 31, 2018	For the year ended December 31, 2017
	₹ Crore	₹ Crore
Profit attributable to equity shareholders (as per Consolidated Statement of Profit and Loss)	1,520.47	924.41
Less: Tax adjustments for earlier years (Refer Note - 21)	500.63	-
Profit before tax adjustments for earlier years	1,019.84	924.41
Earning per share		
Face value per share	10.00	10.00
Basic	54.31	49.23
Diluted	54.18	49.10

NOTE 36. GROUP INFORMATION

The consolidated financial statements of the Group includes subsidiaries listed in the table below:

Name	Principal activities	Principal place of business	% equity interest	
			As at December 31, 2018	As at December 31, 2017
Bulk Cement Corporation (India) Limited	Cement and cement related products	India	94.65%	94.65%
ACC Mineral Resources Limited	Cement and cement related products	India	100%	100%
Lucky Minmat Limited	Cement and cement related products	India	100%	100%
National Limestone Company Private Limited	Cement and cement related products	India	100%	100%
Singhania Minerals Private Limited	Cement and cement related products	India	100%	100%

The financial statements of each of the above Companies are drawn upto the same reporting date as that of the parent company, i.e. December 31, 2018.

The holding company

Ambuja Cements Limited is the holding Company of ACC Ltd. and LafargeHolcim Ltd. is the ultimate holding company for the Group.

Associates

Name	Principal activities	Principal place of business	% equity interest	
			As at December 31, 2018	As at December 31, 2017
Alcon Cement Company Private Limited	Cement and cement related products	India	40%	40%
Asian Concretes and Cements Private Limited	Cement and cement related products	India	45%	45%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

NOTE 36. GROUP INFORMATION (Contd.)

Joint ventures

Name	Principal activities	Principal place of business	% equity interest	
			As at December 31, 2018	As at December 31, 2017
OneIndia BSC Private Limited	Shared services	India	50%	50%
Aakaash Manufacturing Company Private Limited	Ready mixed concrete products	India	40%	40%

Joint Operations of ACC Mineral Resources Limited

MP AMRL (Semaria) Coal Company Limited	Cement related products	India	49%	49%
MP AMRL (Bicharpur) Coal Company Limited	Cement related products	India	49%	49%
MP AMRL (Marki Barka) Coal Company Limited	Cement related products	India	49%	49%
MP AMRL (Morga) Coal Company Limited	Cement related products	India	49%	49%

NOTE 37: FINANCIAL INFORMATION IN RESPECT OF JOINT VENTURES AND ASSOCIATES THAT ARE NOT INDIVIDUALLY MATERIAL:

The Company's interests in below mentioned joint venture and associates and are accounted for using the equity method in the consolidated financial statements. The summarized financial information below represents amounts shown in the associate's and joint venture's financial statements prepared in accordance with Ind AS adjusted by the Company for equity accounting purposes:

a. Joint ventures

Particulars	Crore	
	For the Year ended December 31, 2018	For the Year ended December 31, 2017
OneIndia BSC Private Limited		
Group's share of profit	1.59	1.26
Group's share of other comprehensive income	(0.01)	(0.10)
Group's share of total comprehensive income	1.58	1.16
Aakaash Manufacturing Company Private Limited		
Group's share of profit	1.49	1.72
Group's share of other comprehensive income	0.02	(0.02)
Group's share of total comprehensive income	1.51	1.70
	As at	As at
	December 31, 2018	December 31, 2017
Aggregate carrying amount of the Group's interests in these Joint ventures		
OneIndia BSC Private Limited	5.81	4.23
Aakaash Manufacturing Company Private Limited	12.86	12.03

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

NOTE 37. FINANCIAL INFORMATION IN RESPECT OF JOINT VENTURES AND ASSOCIATES THAT ARE NOT INDIVIDUALLY MATERIAL (Contd.)

b. Associates

₹ Crore

Particulars	For the Year ended December 31, 2018	For the Year ended December 31, 2017
Alcon Cement Company Private Limited		
Group's share of profit	0.32	0.52
Group's share of other comprehensive income	-	(0.01)
Group's share of total comprehensive income	0.32	0.51
Asian Concretes and Cements Private Limited		
Group's share of profit	6.92	7.42
Group's share of other comprehensive income	-	-
Group's share of total comprehensive income	6.92	7.42

₹ Crore

Particulars	As at December 31, 2018	As at December 31, 2017
Aggregate carrying amount of the Group's interests in these Associates		
Alcon Cement Company Private Limited	13.67	13.76
Asian Concretes and Cements Private Limited	68.06	61.14

NOTE 38. EMPLOYEE BENEFITS

Refer Note 1 (xix) for accounting policy on Employee benefits

- a) **Defined Contribution Plans** – Amount recognised and included in Note 30 “Contributions to Provident and other Funds” of Consolidated Statement of Profit and Loss ₹ 16.92 Crore (Previous year - ₹ 17.94 Crore)
- b) **Defined Benefit Plans** – As per actuarial valuation on December 31, 2018.

The Group has defined benefit gratuity, additional gratuity, post employment medical benefit plans and Trust managed provident fund plan as given below:

- i. The Group operates a Gratuity Plan through a trust for its all employees. Every employee who has completed minimum five years of service is entitled to gratuity at 15 days salary for each completed year of service in accordance with Payment of Gratuity Act, 1972. The scheme is funded with insurance companies in the form of qualifying insurance policies.
- ii. Every employee who has joined before December 1, 2005 and separates from service of the Group on superannuation or on medical grounds is entitled to additional gratuity. The scheme is Non Funded.
- iii. Benefits under Post Employment Medical Benefit plans are payable for actual domiciliary treatment / hospitalization for employees and their specified relatives. The scheme is Non Funded.

Investment Strategy

The Group's investment strategy in respect of its funded plans is implemented within the framework of the applicable statutory requirements. The Group has developed policy guidelines for the allocation of assets to different classes with the objective of controlling risk and maintaining the right balance between risk and long-term returns in order to limit the cost to the Group of the benefits provided. To achieve this, investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

NOTE 38. EMPLOYEE BENEFITS (Contd.)

The plans in India typically expose the Group to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk - As the plan assets include significant investments in quoted debt and equity instruments, the Group is exposed to the risk of impacts arising from fluctuation in interest rates and risks associated with equity market.

Interest risk - A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

Longevity risk - The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk - The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Defined Benefit Plans as per Actuarial valuation on December 31, 2018

Particulars	Gratuity		Post employment medical benefits (PEMB)
	(Including additional gratuity)		
	Funded	Non Funded	
	₹ Crore	₹ Crore	
I Expense recognised in the Consolidated Statement of Profit and Loss – for the year ended December 31, 2018			
Components recognised in the Consolidated Statement of Profit and Loss			
1 Current Service cost	13.58 <i>13.75</i>	8.54 <i>7.96</i>	(0.31) <i>(0.30)</i>
2 Net Interest cost	1.01 <i>0.94</i>	7.80 <i>6.87</i>	0.50 <i>0.41</i>
3 Past service cost	- <i>-</i>	(13.36) <i>-</i>	- <i>-</i>
4 Net benefit expense	14.59 <i>14.69</i>	2.98 <i>14.83</i>	0.19 <i>0.11</i>
Components recognised in Consolidated other comprehensive income (OCI)			
5 Actuarial (gains) / losses arising from change in financial assumptions	(1.85) <i>(9.61)</i>	(0.82) <i>(6.49)</i>	0.10 <i>(0.42)</i>
6 Actuarial (gains) / losses arising from change in experience adjustments	3.49 <i>4.36</i>	1.62 <i>5.94</i>	3.31 <i>2.18</i>
7 Loss on plan assets (Excluding amount included in net interest expenses)	1.60 <i>0.42</i>	- <i>-</i>	- <i>-</i>
8 Sub-total - Included in OCI	3.24 <i>(4.83)</i>	0.80 <i>(0.55)</i>	3.41 <i>1.76</i>
9 Total expense (4 + 8)	17.83 <i>9.86</i>	3.78 <i>14.28</i>	3.60 <i>1.87</i>

(Figures in italics pertain to previous year)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

NOTE 38. EMPLOYEE BENEFITS (Contd.)

Particulars	Gratuity		Post employment medical benefits (PEMB)
	(Including additional gratuity)		
	Funded	Non Funded	
	₹ Crore	₹ Crore	₹ Crore
II Amount recognised in Balance Sheet			
1 Present value of Defined Benefit Obligation	(181.90) <i>(197.92)</i>	(102.89) <i>(109.75)</i>	(10.18) <i>(7.37)</i>
2 Fair value of plan assets	173.45 <i>180.99</i>	- -	- -
3 Funded status {Surplus/(Deficit)}	(8.45) <i>(16.93)</i>	(102.89) <i>(109.75)</i>	(10.18) <i>(7.37)</i>
4 Net asset/(liability) as at December 31, 2018	(8.45) <i>(16.93)</i>	(102.89) <i>(109.75)</i>	(10.18) <i>(7.37)</i>
III Present Value of Defined Benefit Obligation			
1 Present value of Defined Benefit Obligation at beginning of the year	197.92 <i>204.21</i>	109.75 <i>106.11</i>	7.37 <i>6.53</i>
2 Current service cost	13.58 <i>13.75</i>	8.54 <i>7.96</i>	(0.31) <i>(0.30)</i>
3 Interest cost	13.73 <i>12.80</i>	7.80 <i>6.87</i>	0.50 <i>0.41</i>
4 Past service cost	- -	(13.36) -	- -
5 Actuarial (gains) / losses arising from changes in financial assumptions	(1.85) <i>(9.61)</i>	(0.82) <i>(6.49)</i>	0.10 <i>(0.42)</i>
6 Actuarial (gains) / losses arising from experience adjustments	3.49 <i>4.36</i>	1.62 <i>5.94</i>	3.31 <i>2.18</i>
7 Benefits Payments	(44.50) <i>(27.59)</i>	(10.64) <i>(10.64)</i>	(0.79) <i>(1.03)</i>
8 Increase/ (decrease) due to effect of any business combination, divestitures, transfers	(0.47) -	- -	- -
9 Present value of Defined Benefit Obligation at the end of the year	181.90 <i>197.92</i>	102.89 <i>109.75</i>	10.18 <i>7.37</i>
IV Fair Value of Plan Assets			
1 Plan assets at the beginning of the year	180.99 <i>189.95</i>	- -	- -
2 Interest income	12.72 <i>11.86</i>	- -	- -
3 Contributions by Employer	21.00 <i>7.19</i>	- -	- -
4 Actual benefits paid	(39.66) <i>(27.59)</i>	- -	- -
5 Actuarial (gains / losses) arising from changes in financial assumptions	(1.60) <i>(0.42)</i>	- -	- -
6 Plan assets at the end of the year	173.45 <i>180.99</i>	- -	- -
V Weighted Average duration of Defined Benefit Obligation	10 Years <i>7 Years</i>	10 Years <i>8.8 Years</i>	10.2 Years <i>8.7 Years</i>

(Figures in italics pertain to previous year)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

NOTE 38. EMPLOYEE BENEFITS (Contd.)

VI Sensitivity Analysis:

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Sensitivity Analysis as at December 31, 2018

Particulars	Gratuity - Funded		Gratuity - Unfunded		PEMB	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(11.44)	13.02	(7.78)	8.53	(0.76)	0.89
Future salary growth (1% movement)	12.94	(11.59)	8.94	(8.28)	-	-
Medical inflation increase rate (1% movement)	-	-	-	-	0.37	(0.35)

` Crore

Sensitivity Analysis as at December 31, 2017

Particulars	Gratuity - Funded		Gratuity - Unfunded		PEMB	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(12.13)	13.78	(8.22)	9.43	(0.52)	0.77
Future salary growth (1% movement)	12.98	(12.01)	7.42	(7.16)	-	-
Medical inflation increase rate (1% movement)	-	-	-	-	0.75	(0.68)

` Crore

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation recognised in the Consolidated Balance Sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from previous year.

VII The major categories of plan assets as a percentage of total plan (%)

Particulars	Gratuity	
	As at December 31, 2018	As at December 31, 2017
Debt instruments		
Government securities	54%	56%
Debentures and bonds	38%	35%
Equity shares	4%	6%
Cash and cash equivalents:		
Fixed deposits	4%	3%
	100%	100%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

NOTE 38. EMPLOYEE BENEFITS (Contd.)

VIII Actuarial Assumptions:

Particulars	As at December 31, 2018	As at December 31, 2017
a) Financial Assumptions		
1 Discount Rate	7.45%	7.30%
2 Salary increase rate	7.00%	7.00%
b) Demographic Assumptions		
1 Retirement age	60 years	60 years
2 Expected average remaining working lives of employees	10 years	10 years
3 Disability rate	5.00%	5.00%
4 Mortality pre-retirement	Indian Assured Lives Mortality (2006-08) (Modified) Ultimate	Indian Assured Lives Mortality (2006-08) (Modified) Ultimate
5 Mortality post-retirement	Mortality for annuitants LIC (1996-98) Ultimate	Mortality for annuitants LIC (1996-98) Ultimate
6 Medical premium inflation	12% for the first four years and thereafter 8%	12% for the first four years and thereafter 8%

c) The discount rate is based on the prevailing market yields of Government of India securities as at Consolidated the Balance Sheet date for the estimated term of the obligations.

d) The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

e) Expected cash flows :

Particulars	Funded Gratuity		Unfunded Gratuity		PEMB	
	As at December 31, 2018	As at December 31, 2017	As at December 31, 2018	As at December 31, 2017	As at December 31, 2018	As at December 31, 2017
	₹ Crore	₹ Crore	₹ Crore	₹ Crore	₹ Crore	₹ Crore
1. Expected employer contribution in the next year	15.00	14.10	-	-	-	-
2. Expected benefit payments						
Year 1	20.95	19.66	8.89	11.54	0.83	1.08
Year 2	20.42	27.81	9.02	10.91	0.86	1.00
Year 3	21.30	27.94	9.57	11.74	0.91	1.04
Year 4	22.38	26.78	11.26	11.24	0.95	1.03
Year 5	20.04	27.77	10.34	12.05	0.99	1.02
Next 5 years	77.47	125.28	44.14	55.95	4.90	4.70
Total expected payments	182.56	255.24	93.22	113.43	9.44	9.87

f) Post employment defined benefit plan expenses are included under employee benefit expenses in the Consolidated Statement of Profit and Loss.

g) Amount recognised as an expense under employee benefit expenses in the Consolidated Statement of Profit and Loss in respect of compensated absences and long service award is ₹ 14.08 Crore (Previous year - ₹ 9.07 Crore).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

NOTE 38. EMPLOYEE BENEFITS (Contd.)

c) Provident Fund

Provident fund for certain eligible employees is managed by the Group through a trust "The Provident Fund of ACC Ltd.," in line with the Provident Fund and Miscellaneous Provisions Act, 1952. The plan guarantees interest at the rate notified by the Provident Fund Authorities. The contribution by the employer and employee together with the interest accumulated thereon are payable to employees at the time of separation from the Group or retirement, whichever is earlier. The benefits vests immediately on rendering of the services by the employee. The minimum interest rate payable by the trust to the beneficiaries every year is being notified by the Government. The Group has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate.

The Group has obtained the actuarial valuation of interest rate obligation in respect of Provident Fund and shortfall of ₹ 0.03 Crore (Previous year - Nil) is recognised in the Consolidated Statement of Profit and Loss.

Defined benefit plans as per actuarial valuation on December 31, 2018

Particulars	For the year ended December 31, 2018 ₹ Crore	For the year ended December 31, 2017 ₹ Crore
I Components of expense recognized in the Consolidated Statement of Profit and Loss		
1 Current Service cost	22.71	23.14
2 Total expense	22.71	23.14
II Amount recognised in Consolidated Balance Sheet		
1 Present value of Defined Benefit Obligation	(729.68)	(714.09)
2 Fair value of plan assets	729.65	717.43
3 Funded status {Surplus/(Deficit)}	(0.03)	3.34
4 Net asset/(liability) as at end of the year*	(0.03)	3.34
III Present Value of Defined Benefit Obligation		
1 Present value of Defined Benefit Obligation at beginning of the year	714.09	630.11
2 Current Service cost	22.71	23.14
3 Interest Cost	43.32	39.77
4 Employee Contributions	63.73	60.06
5 Actuarial (Gains) / Losses arising from changes in financial assumptions	(4.40)	(1.88)
6 Actuarial (Gains) / Losses arising from experience adjustments	(1.92)	11.82
7 Benefits Payments	(134.09)	(55.13)
8 Increase/ (decrease) due to effect of any transfers	26.24	6.20
9 Present value of Defined Benefit Obligation at the end of the year	729.68	714.09
IV Fair Value of Plan Assets		
1 Plan assets at the beginning of the year	717.43	638.60
2 Interest income	43.32	43.25
3 Contributions by Employer	22.71	22.35
4 Contributions by Employee	63.73	60.06
5 Actual benefits paid	(134.09)	(55.13)
6 Net transfer in / (out)	26.24	6.20
7 Actuarial (gains) / losses arising from changes in financial assumptions	(9.69)	2.10
8 Plan assets at the end of the year	729.65	717.43
V Weighted Average duration of Defined Benefit Obligation	10 years	7 years

*In respect of Provident Fund, only liability is recognised in Consolidated Balance Sheet. Surplus is not recognised in Consolidated Balance Sheet

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

NOTE 38. EMPLOYEE BENEFITS (Contd.)

VI The major categories of plan assets as a percentage of total plan

Particulars	As at December 31, 2018	As at December 31, 2017
Debt instruments		
Government securities	37%	44%
Debentures and bonds	63%	56%
	100%	100%

VII The assumptions used in determining the present value of obligation of the interest rate guarantee under deterministic approach are:

Particulars	As at December 31, 2018	As at December 31, 2017
Discounting rate	7.45%	7.30%
Guaranteed interest rate	8.55%	8.65%
Yield on assets based on the Purchase price and outstanding term of maturity	9.20%	9.02%

VIII Sensitivity analysis for factors mentioned in Actuarial Assumptions

Particulars	As at December 31, 2018		As at December 31, 2017	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(5.31)	22.84	(1.35)	1.62
Interest rate guarantee (1% movement)	22.48	(5.31)	33.59	(11.64)

₹ Crore

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from previous year.

IX The Company expects to contribute ₹ 24.00 Crore (Previous year - ₹ 24.95 Crore) to trust managed provident fund in next year.

NOTE 39. LEASES

Operating lease commitments - Group as lessee

The Group has entered into operating leases on certain assets (grinding facility, godowns, land, flats, office premises and other premises). The Group has the option, under some of its leases, to lease the assets for additional terms of three to five years.

Future lease rentals are determined on the basis of agreed terms. There is no escalation clause in the lease agreements. There are no restrictions imposed by lease arrangements. There are no subleases. At the expiry of the lease term, the Group has an option either to return the asset or extend the term by giving notice in writing.

Operating lease payment recognised in the Consolidated Statement of Profit and Loss amounts to ₹ 127.80 Crore (Previous year - ₹ 121.01 Crore).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

NOTE 39. LEASES (Contd.)

Future minimum rentals payable under non-cancellable operating leases are as follows:

Particulars	As at December 31, 2018 ₹ Crore	As at December 31, 2017 ₹ Crore
(i) Not later than one year	53.93	50.24
(ii) Later than one year and not later than five years	57.91	73.64
(iii) Later than five years	28.55	19.91
	140.39	143.79

The Group has arrangement with an associate company whereby it sells clinker and purchases cement manufactured out of such clinker. The Group has evaluated such arrangement based on facts and circumstances existing at the date of transition to Ind AS and have identified them in the nature of lease as the group takes more than an insignificant amount of the cement that will be produced or generated by the asset during the term of the arrangement and the price for the output is neither contractually fixed per unit of output nor equal to the current market price per unit of output as of the time of delivery of the output.

The Group has further assessed the other terms of the arrangement for classification as operating or finance lease and the arrangement is classified as operating lease.

The Group has concluded that it is impracticable to separate the lease payments from other payments made under the arrangement reliably and hence all payments under this arrangement are considered as lease payments. There are no minimum lease payments under such arrangement.

Finance lease

The Group has entered into long-term leasing arrangements for land which has been assessed as finance lease since the present value of the minimum lease payments is substantially similar to the fair value of the leasehold land. These arrangements do not involve any material recurring payments hence other disclosures are not given.

NOTE 40. CAPITAL AND OTHER COMMITMENTS

Estimated amount of contracts remaining to be executed on capital account and not provided for:

Particulars	As at December 31, 2018 ₹ Crore	As at December 31, 2017 ₹ Crore
A) Estimated value of contracts on capital account remaining to be executed (net of advance)	159.17	61.62
B) For commitments relating to lease arrangements, refer note - 39		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

NOTE 41. CONTINGENT LIABILITIES NOT PROVIDED FOR

Refer Note 1 (viii) for accounting policy on Contingent liabilities

(A) Claims against the Company not acknowledged as debt:

Disputed claims / levies in respect of:

Nature of Statute	Brief Description of Contingent Liabilities	As at December 31, 2018 ` Crore	As at December 31, 2017 ` Crore
Competition Act, 2002	CCI matter - Refer Notes a & b below	1,504.36	1,366.65
The Income Tax Act, 1961	Income tax matter related to excise duty incentives in the nature of capital receipts (Refer Note - 21)	500.63	-
Service Tax - The Finance Act, 1994	Refer note c below	87.66	-
	Other service tax disputes	11.39	11.20
Claims for mining lease rent	Refer note d below	73.46	73.46
Sales Tax Act/ Commercial Tax Act of various states	Packing Material - Differential rate of tax. Matters pending with various authorities	20.52	20.52
	Other Sales tax matters	14.90	16.75
Customs Duty - The Customs Act, 1962	Demand of duty on import of Steam Coal during 2012 - 2013 classifying it as Bituminous Coal	30.97	30.97
Other Statutes/ Other Claims	Claims by suppliers regarding supply of raw material and other claim	39.87	32.78
	Demand of water drawal charges, pending before the Chattisgarh High Court	14.70	12.55
	Various other cases pertaining to claims related to Railways, labour laws, etc	18.09	28.22
Mines and Minerals (Development and Regulation) Act	The Group has received a demand notice from DMG Department for Limestone extracted in the period from 1962 to 1986 without payment of Royalty. The Group has files an appeal with Additional Director of Mines, Department of Mines and Geology.	19.87	19.87
	Demand of additional Royalty on Limestone based on cement produced vis a vis consumption of limestone at its factory in Tamil Nadu. The Company holds the view that the payment of royalty on limestone is correctly made by the Company based on the actual quantity of limestone extracted. Matter is pending at Madras High Court.	7.93	7.93
	Other royalty demand	0.99	0.99
	Total	2,345.34	1,621.89

In respect of above matters, future cash outflows are determinable only on receipt of judgments pending at various forums / authorities.

The Group does not expect any reimbursements in respect of the above contingent liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

NOTE 41. CONTINGENT LIABILITIES NOT PROVIDED FOR (Contd.)

The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its Consolidated Financial Statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial position.

- a) In 2012, the Competition Commission of India ('CCI') issued an Order imposing penalty on certain cement manufacturers, including the Group, concerning alleged contravention of the provisions of the Competition Act, 2002, and imposed a penalty of ₹ 1,147.59 Crore on the Company. On Company's appeal, Competition Appellate Tribunal ('COMPAT'), initially stayed the penalty, and by its final order dated December 11, 2015, set aside the order of the CCI, remanding the matter back to the CCI for fresh adjudication and for passing a fresh order.

After hearing the matter, the CCI had, by its order dated August 31, 2016, held that the cement companies and the Cement Manufacturers Association (CMA) are guilty and in violation of the Section 3(1) read with section 3(3)(a) and Sec 3(3)(b) of the Competition Act and imposed a penalty of ₹ 1,147.59 Crore on the Company.

The Company had appealed against the penalty to the Competition Appellate Tribunal (COMPAT) which granted a stay with a condition to deposit 10% of the penalty amount, which was deposited and levy of interest of 12% p.a. in case the appeal is decided against the appellant (the "Interim order"). Interest amount on penalty as on December 31, 2018 is ₹ 325.45 Crore (Previous Year - ₹ 183.74 Crore). COMPAT was replaced by the National Company Law Appellate Tribunal (NCLAT) effective May 26, 2017, who vide its judgment dated July 25, 2018, dismissed the Company's appeal and upheld the CCI's order.

Against the above judgment of NCLAT, the Company appealed before the Hon'ble Supreme Court, which by its order dated October 05, 2018 had admitted the appeal and directed that the interim order passed by the Tribunal in this case will continue in the meantime.

Based on the advice of external legal counsel, the Company believes it has a strong case on merits for successful appeal in this matter. Accordingly, the Company is of the view that no provision is necessary in the Consolidated Financial Statements.

- b) In a separate matter, the Director, Supplies and Disposal, Haryana filed information that seven cement companies had engaged in collusive bidding in contravention of the Competition Act. CCI by its order dated January 19, 2017 imposed a penalty of ₹ 35.32 Crore on the Company. On Company's filing an appeal, COMPAT had stayed the penalty. Matter is now listed before NCLAT and is pending for hearing.

Based on the advice of external legal counsel, the Company believes it has a strong case on merits for successful appeal in this matter. Accordingly, the Company is of the view that no provision is necessary in the financial statement.

- c) The dispute is regarding whether the "place of removal" is the "factory gate / Depot" or "destination point of customer" for availment of Service Tax Credit on "Outward Transportation cost" of Cement when sales is on F.O.R. basis. The Department has alleged that, the freight cost for transportation of Cement beyond factory gate and Depot being the place of removal, is not "Input Service" and therefore the Service Tax Credit on such services cannot be availed. The Service Tax Department issued show cause notice (SCN) and demand orders against which the Company has filed Appeal with the CESTAT.

In the case of Gujarat Ambuja Cement Limited, the Punjab & Haryana (P&H) High Court has decided that the matter in favour of assessee relying on Board Circular dated August 23, 2017, to which Department has not challenged and hence the same has attained finality. Hon'ble Supreme Court, vide Order dated

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

NOTE 41: CONTINGENT LIABILITIES NOT PROVIDED FOR (Contd.)

January 01, 2018 in the case of Commissioner, of Central Excise (CCE), Raipur V/s. Ultratech Cement (Chattishgarh State) has allowed Service Tax Credit on GTA Services and dismissed the Departmental Appeal. In another decision, Hon'ble Supreme court, vide Order dated February 01, 2018 in the case of CCE Bangalore V/S Ultratech Cement (Karnataka state) has disallowed such Service Tax Credit on GTA Services. Similar matter of M/s Mangalam Cement is pending before Hon'ble Supreme Court which is likely to be referred to three member bench.

Based on the advice of the external legal counsel, conflicting decisions of various courts and CBIC Circular, the Company believes that matter is a possible case. The Company strongly believes no provision is considered necessary at this stage.

- d) The Company had received a demand letter dated May 10, 2013 from the Government of Tamil Nadu, seeking annual compensation for the period 01.04.1997 to 31.03.2014 for use of the Government land for mining, which land the Company occupies on the basis of the Mining Leases. Despite the company paying royalty at the prescribed rate for the Minerals extracted from the leased land and paying surface rent regularly as per Rules, the Authorities have issued the demand letter calling upon the company to pay a sum of ` 73.46 Crore as compensation for use of Government land. The Company has challenged the demand by way of Revision under the Mineral Concession Rules and in a Writ Petition before the Hon'ble High Court of Tamil Nadu at Chennai, has obtained orders restraining the State from taking any coercive steps.

The Company is of the view and has been advised legally, that the merits are strongly in its favour.

NOTE 42. MATERIAL DEMANDS AND DISPUTES RELATING TO ASSETS AND LIABILITIES CONSIDERED AS REMOTE BY THE GROUP

- a) The Company had availed sales tax incentives in respect of its new 1 MTPA Plant (Gagal II) under the Himachal Pradesh (HP) State Industrial Policy, 1991. The Company had accrued sales tax incentives aggregating ` 56 Crore. The Sales tax authorities introduced certain restrictive conditions after commissioning of the unit stipulating that incentive is available only for incremental amount over the base revenue and production of Gagal I prior to the commissioning of Gagal II. The Company contends that such restrictions are not applicable to the unit as Gagal II is a new unit, as decided by the HP Hon'ble High Court and confirmed by the Hon'ble Supreme Court while determining the eligibility for transport subsidy. The Department recovered ` 64 Crore (tax of ` 56 Crore and interest of ` 8 Crore) which is considered as recoverable.

The HP Hon'ble High Court, had, in 2012, dismissed the Company's appeal. The Company believes the Hon'ble High Court's judgment was based on an erroneous understanding of certain facts and legal positions and that it also failed to consider certain key facts. The Company has been advised by legal experts that there is no change in the merits of the Company's case. Based on such advice, the Company filed a Special Leave Petition (SLP) before the Hon'ble Supreme Court, which is pending for hearing.

- b) The Company was eligible for certain incentives in respect of its investment towards modernization and expansion of the Chaibasa Cement Unit pursuant to confirmation received under the State Industrial Policy of Jharkhand. Accordingly, the Company has made claims for refund of VAT paid for each financial year. However, no disbursements were made (except an amount of ` 7 Crore representing part of the One Time Lumpsum capital subsidy claim of ` 15 Crore) as the authorities have raised new conditions and restrictions, that were extraneous to the approvals and confirmations expressly received by the Company. The Company had filed two writ appeals before the Jharkhand Hon'ble High Court against these conditions, restrictions and disputes to the extent of the eligible claims which are now being sought to be effected/ raised by the Government.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

NOTE 42: MATERIAL DEMANDS AND DISPUTES RELATING TO ASSETS AND LIABILITIES CONSIDERED AS REMOTE BY THE GROUP (Contd.)

The Division Bench of the Jharkhand Hon'ble High Court, while dealing with appeals by both the Company and the State Government, against a single bench order only partially allowing the Company's claim, in its order dated February 24, 2015, allowed the Company's appeal in totality while dismissing the Government's appeal, thereby confirming that the entire amount claimed by the Company is correct and hence payable immediately.

The Government of Jharkhand had filed an Special Leave Petition (SLP) in the Hon'ble Supreme Court against the order of the division bench, which was admitted. In its interim order, the Supreme Court had, while not staying the Division Bench Order, had only stayed disbursement of 40% of the amount due. Consequently, as of date, the Company received only ₹ 64 Crore out of total ₹ 235 Crore in part disbursement from the Government of Jharkhand.

The Company is pursuing the matter of disbursement of further amounts outstanding. The Company is of the view and has been advised legally, that the merits are strongly in its favour and it expects that the SLP shall be rejected upholding the order of the Division bench of the Jharkhand Hon'ble High Court by the Apex Court.

- c) The Company is eligible for incentives for one of its cement plants situated in Maharashtra, under a Package Scheme of Incentives of the Government of Maharashtra. The scheme inter alia, includes refund of royalty paid by the Company on extraction or procurement of various raw materials (minerals). The Department of Industries has disputed the Company's claim for refund of royalty on an erroneous technical interpretation of the sanction letter issued to the Company, that only the higher of the amount of (i) VAT refund and (ii) royalty refund claim amounts, each year, shall be considered. The Company maintains that such annual restriction is not applicable as long as the cumulative limit of claim does not exceed the amount of eligible investment. The Company has accrued an amount of ₹ 133 Crore (Previous Year - ₹ 133 Crore) on this account. The Company has filed an appeal before the Bombay High Court challenging the stand of the Government, which is admitted and pending before the High Court for hearing on merit. The Company believes that the merits of the claim are strong.
- d) The Company had set up a captive power plant ('Wadi TG 2') in the year 1995-96. This plant was sold to Tata Power Co. Ltd., in the year 1998-99 and was subsequently repurchased from it in the year 2004-05. The Company had purchased another captive power plant ('Wadi TG 3', set up by Tata Power Co. Ltd. in the year 2002-03) in 2004-05. Both these power plants were eligible for tax holiday under the provisions of Section 80-IA of the Income-tax Act, 1961. The Income tax department has disputed the Company's claim of deduction under Section 80-IA of the Act, on the ground that the conditions prescribed under the section are not fulfilled. In case of Wadi TG 2, in respect of the demand of ₹ 56.66 Crore (net of provision) (Previous Year - ₹ 56.66 Crore), the Company is in appeal before the ITAT and in case of Wadi TG 3 in respect of the demand of ₹ 115.62 Crore (Previous Year - ₹ 115.62 Crore), which was set aside by the ITAT, the Department is in appeal against the decision in favour of the Company. The Company believes that the merits of the claims are strong and will be allowed.
- e) One of the Company's cement manufacturing plants located in Himachal Pradesh was eligible, under the State Industrial Policy for deferral of its sales tax liability arising on sale of cement manufactured at that plant. The Excise and Taxation department of the Government of Himachal Pradesh, disputed the eligibility of the Company to such deferment on the ground that the Company also manufactures an intermediate product, viz. Clinker, arising in the manufacture of cement, and such intermediate product was in the negative list. A demand of ₹ 82.37 Crore (Previous year - ₹ 82.37 Crore) was raised. The Company filed a writ petition before the Hon'ble High Court of Himachal Pradesh against the demand. The case has been admitted and the hearing is in process. The Company believes its case is strong and the demand shall not sustain under law.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

NOTE 42: MATERIAL DEMANDS AND DISPUTES RELATING TO ASSETS AND LIABILITIES CONSIDERED AS REMOTE BY THE GROUP (Contd.)

- f) The Company was contesting the renewal of mining lease in state of Jharkhand for two of its quarries on lease. There was an unfavourable order by the Hon'ble Supreme Court in judgement on Goa Foundation case, restricting the "deemed renewal" provision of captive mining leases to the first renewal period. The Company received demand from District Mining Officer for ` 881 Crore as penalty for alleged illegal mining activities carried out by the Company during January 1991 to September 2014.

On January 02, 2015, the Central Government promulgated the Mines and Minerals (Development and Regulation) Amendment) Ordinance, 2015 [subsequently enacted as Mines and Minerals (Development and Regulation) (Amendment) Act, 2015 in March 2015] amending mining laws with retrospective effect, and decided that all leases granted prior to ordinance will deemed to have been automatically renewed until prescribed period therein.

The Company then filed a writ petition with High Court of Jharkhand, challenging the aforesaid memos from the State Government for directing the State government to renew both the leases upto march 2030 as per the Ordinance.

On October 31, 2015 the High Court passed an interim order in terms of Section 8A(5) of the Ordinance for quarry II extending the lease upto March 2030 permitting the Company to commence mining operations after depositing ` 48 Crore, being assessed value of materials dispatched between April 2014 to Sep 2014 (being the alleged period of illegality) subject to the outcome of the petition filed by the Company.

The Company believes that the case shall not stand the test of judicial scrutiny basis the automatic renewal coupled with legal advice.

NOTE 43. RELATED PARTY DISCLOSURE

(A)	Names of the Related parties where control exists:	Nature of Relationship
1	LafargeHolcim Ltd, Switzerland	Ultimate Holding Company
2	Holderind Investments Ltd, Mauritius	Holding Company of Ambuja Cements Limited
3	Ambuja Cements Limited	Holding Company
4	OneIndia BSC Private Limited	Joint venture Company
5	Aakaash Manufacturing Company Private Limited	Joint venture Company
(B)	Others - With whom transactions have been taken place during the current and/or previous year	
(a)	Names of other Related parties	Nature of Relationship
1	Alcon Cement Company Private Limited	Associate Company
2	Asian Concretes and Cements Private Limited	Associate Company
3	Holcim Technology (Singapore) Pte Ltd, Singapore	Fellow Subsidiary
4	PT Holcim Indonesia Tbk, Indonesia	Fellow Subsidiary
5	Holcim Services (South Asia) Limited	Fellow Subsidiary
6	Holcim Cement (Bangladesh) Ltd, Bangladesh	Fellow Subsidiary
7	Holcim Philippines, Inc, Philippines	Fellow Subsidiary
8	Holcim Group Services Ltd, Switzerland	Fellow Subsidiary
9	Holcim Technology Ltd, Switzerland	Fellow Subsidiary
10	LafargeHolcim Trading Pte Ltd, Singapore	Fellow Subsidiary
11	LafargeHolcim Energy Solutions SAS, France	Fellow Subsidiary
12	Lafargeholcim Bangladesh Ltd, Bangladesh	Fellow Subsidiary
13	Cementos Apasco SA de CV (LHMEX), Mexico	Fellow Subsidiary
14	Dirk India Private Limited	Fellow Subsidiary
15	Lafarge SA, France	Fellow Subsidiary
16	Counto Microfine Products Private Limited	Joint venture of Ambuja Cements Limited
17	The Provident Fund of ACC Ltd	Trust (Post-employment benefit plan)
18	ACC limited Employees Group Gratuity scheme	Trust (Post-employment benefit plan)
	In accordance with the provisions of Ind AS 24 "Related Party Disclosures" and the Companies Act, 2013, following Personnel are considered as Key Management Personnel (KMP).	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

NOTE 43. RELATED PARTY DISCLOSURE (Contd.)

(b)	Name of the Related Parties	Nature of Relationship
1	Mr. Neeraj Akhoury	Managing Director & CEO (w.e.f February 04, 2017)
2	Mr. Harish Badami	CEO & Managing Director (upto February 03, 2017)
3	Mr. Sunil K. Nayak	Chief Financial Officer
4	Mr. Surendra Mehta	Company Secretary (w.e.f April 21, 2017 upto September 25, 2017)
5	Mr. Ramaswami Kalidas	Company Secretary (w.e.f September 26, 2017)
6	Mr. Burjor D. Nariman	Company Secretary upto March 31, 2017
7	Mr. N S Sekhsaria	Chairman, Non Executive / Non Independent Director
8	Mr. Jan Jenisch	Deputy Chairman, Non Executive / Non Independent Director (w.e.f. October, 10, 2017)
9	Mr. Eric Olsen	Deputy Chairman, Non Executive / Non Independent Director (upto September 21, 2017)
10	Mr. Martin Kriegner	Non Executive / Non Independent Director
11	Mr. Shailesh Haribhakti	Independent Director
12	Mr. Sushil Kumar Roongta	Independent Director
13	Mr. Ashwin Dani	Independent Director
14	Mr. Farrokh K Kavarana	Independent Director
15	Mr. Vijay Kumar Sharma	Non Independent Director
16	Mr. Arunkumar R Gandhi	Independent Director
17	Ms. Falguni Nayar	Independent Director
18	Mr. Christof Hassig	Non Independent Director

(C) Transactions with Joint Venture Companies	For the year ended December 31, 2018 ` Crore	For the year ended December 31, 2017 ` Crore
(i) Purchase of Finished Goods	104.12	93.12
Aakaash Manufacturing Company Private Limited {Refer Note - 47 (ii)}	104.12	93.12
(ii) Sale of Finished Goods	14.57	22.35
Aakaash Manufacturing Company Private Limited	14.57	22.35
(iii) Receiving of Services	29.00	26.52
OneIndia BSC Private Limited	29.00	26.52
(iv) Dividend Received	0.68	1.69
Aakaash Manufacturing Company Private Limited	0.68	1.69
(v) Reimbursement of Expenses Received/Receivable	0.02	0.37
Aakaash Manufacturing Company Private Limited	0.02	0.37
(vi) Reimbursement of Expenses Paid / Payable	0.47	0.29
Aakaash Manufacturing Company Private Limited	-	0.29
OneIndia BSC Pvt Ltd.	0.47	-
(vii) Other recoveries (Net)	2.11	-
Aakaash Manufacturing Company Private Limited	2.11	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

NOTE 43. RELATED PARTY DISCLOSURE (Contd.)

Outstanding balances with Joint venture Companies	As at December 31, 2018 ` Crore	As at December 31, 2017 ` Crore
(i) Outstanding balance included in Trade receivables	1.30	3.63
Aakaash Manufacturing Company Private Limited	1.30	3.63
(ii) Outstanding balance included in Trade payables	21.92	21.58
Aakaash Manufacturing Company Private Limited	19.31	18.36
OneIndia BSC Private Limited	2.61	3.22

(D) Transactions with Associate Companies	For the year ended December 31, 2018 ` Crore	For the year ended December 31, 2017 ` Crore
(i) Purchase of Finished Goods	71.89	69.58
Alcon Cement Company Private Limited {Refer Note - 47(i)}	71.89	69.58
(ii) Purchase of Raw Materials	20.76	23.14
Asian Concretes and Cements Private Limited	20.76	23.14
(iii) Sale of Unfinished Goods	26.40	27.33
Alcon Cement Company Private Limited {Refer Note - 47(i)}	26.40	27.33
(iv) Dividend Received	0.41	3.06
Alcon Cement Company Private Limited	0.41	3.06
(v) Rendering of Services	-	1.19
Alcon Cement Company Private Limited	-	1.19
(vi) Receiving of Services	117.92	91.57
Asian Concretes and Cements Private Limited	117.92	91.57
(vii) Reimbursement of Expenses Received/Receivable	14.71	10.52
Alcon Cement Company Private Limited	14.71	10.52
(viii) Reimbursement of Expenses Paid/Payable	3.16	5.45
Asian Concretes and Cements Private Limited	0.54	3.41
Alcon Cement Company Private Limited	2.62	2.04

Outstanding balances with Associate Companies	As at December 31, 2018 ` Crore	As at December 31, 2017 ` Crore
(i) Outstanding balance included in Trade receivables	8.99	11.78
Alcon Cement Company Private Limited	8.99	11.78
(ii) Outstanding balance included in Trade payables	22.96	23.62
Asian Concretes and Cements Private Limited	19.27	14.70
Alcon Cement Company Private Limited	3.69	8.92

(E) Details of Transactions relating to Ultimate Holding and Holding Companies	For the year ended December 31, 2018 ` Crore	For the year ended December 31, 2017 ` Crore
(i) Dividend paid	153.60	174.07
Ambuja Cements Limited	140.98	159.77
Holderind Investments Limited	12.62	14.30
(ii) Purchase of Raw materials	0.24	4.36
Ambuja Cements Limited	0.24	4.36
(iii) Purchase of Finished /Unfinished goods	35.17	10.16
Ambuja Cements Limited	35.17	10.16

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

NOTE 43. RELATED PARTY DISCLOSURE (Contd.)

(E) Details of Transactions relating to Ultimate Holding and Holding Companies	For the year ended December 31, 2018 ` Crore	For the year ended December 31, 2017 ` Crore
(iv) Purchase of Stores & Spares	0.10	-
Ambuja Cements Limited	0.10	-
(v) Sale of Fixed Assets	19.23	13.13
Ambuja Cements Limited	19.23	13.13
(vi) Sale of Finished /Unfinished Goods	23.59	30.63
Ambuja Cements Limited	23.59	30.63
(vii) Sale of Raw Material	8.34	1.82
Ambuja Cements Limited	8.34	1.82
(viii) Rendering of Services	47.66	53.39
Ambuja Cements Limited	47.66	53.39
(ix) Reimbursement of Expenses Paid / Payable	-	0.32
Ambuja Cements Limited	-	0.32
(x) Receiving of Services	47.47	48.21
Ambuja Cements Limited	47.47	48.21
(xi) Reimbursement of Expenses Received / Receivable	0.04	0.27
Ambuja Cements Limited	0.04	0.27
Outstanding balances with Ultimate Holding and Holding Companies	As at December 31, 2018 ` Crore	As at December 31, 2017 ` Crore
(i) Outstanding balance included in Trade receivables	15.61	31.68
Ambuja Cements Limited	15.61	31.16
LafargeHolcim Ltd	-	0.52
(ii) Outstanding balance included in Other current assets - advances	0.04	-
Ambuja Cements Limited	0.04	-
(iii) Outstanding balance included in Trade payables	18.25	16.58
Ambuja Cements Limited	18.25	16.58
(F) Details of Transactions relating to Fellow Subsidiary Companies / Joint venture of Holding Company	For the year ended December 31, 2018 ` Crore	For the year ended December 31, 2017 ` Crore
(i) Purchase of Raw materials	288.37	348.64
LafargeHolcim Energy Solutions SAS	285.04	345.24
Counto Microfine Products Private Limited	3.28	3.35
Dirk India Private Limited	0.05	0.05
(ii) Sale of Finished /Unfinished Goods	0.16	0.29
Counto Microfine Products Private Limited	0.16	0.29
(iii) Technology and Know-how fees	144.46	128.37
Holcim Technology Ltd	144.46	128.37
(iv) Receiving of Services	75.05	79.86
Holcim Services (South Asia) Limited	74.66	78.93
Holcim Group Services Ltd	0.39	0.89
Holcim Technology Ltd	-	0.04

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

NOTE 43. RELATED PARTY DISCLOSURE (Contd.)

(F) Details of Transactions relating to Fellow Subsidiary Companies / Joint venture of Holding Company	For the year ended December 31, 2018 Crore	For the year ended December 31, 2017 Crore
(v) Rendering of Services	11.01	-
Holcim Services (South Asia) Limited	4.75	-
Holcim Group Services Ltd	2.19	-
Lafarge SA	2.62	-
Holcim Technology Ltd	1.45	-
(vi) Reimbursement of Expenses Paid / Payable	-	0.07
Holcim Technology Ltd	-	0.07
(vii) Reimbursement of Expenses Received / Receivable	0.77	2.27
Holcim Technology Ltd	0.45	2.13
Lafargeholcim Energy Solutions SAS	0.17	-
LafargeHolcim Trading Pte Ltd	0.13	0.01
Counto Microfine Product Private Limited	0.01	0.01
Lafargeholcim Bangladesh Ltd	0.01	-
Holcim Technology (Singapore) Pte Ltd	-	0.01
Cementos Apasco SA de CV (LHMEX)	-	0.11
Outstanding balances with Fellow Subsidiary Companies / Joint venture of Holding Company	As at December 31, 2018 Crore	As at December 31, 2017 Crore
(i) Outstanding balance included in Trade receivables	11.82	0.88
Holcim Services (South Asia) Limited	4.75	-
Lafarge SA	3.07	-
Holcim Group Services Ltd	2.19	-
Holcim Technology Ltd	1.45	-
PT Holcim Indonesia Tbk	0.15	0.15
Lafarge Holcim Trading Pte Limited	0.13	0.01
Counto Microfine Product Pvt Ltd	0.03	0.05
Holcim Philippines, Inc	0.02	0.02
Holcim Cement (Bangladesh) Ltd	0.01	0.01
Holcim Technology (Singapore) Pte Ltd	0.01	0.01
Cementos Apasco SA de CV (LHMEX)	-	0.11
Lafargeholcim Bangladesh Ltd	0.01	-
(ii) Outstanding balance included in Trade payables	159.80	217.88
LafargeHolcim Energy Solutions SAS	124.50	168.11
Holcim Technology Ltd	33.70	30.14
Counto Microfine Products Private Limited	0.63	0.65
Holcim Services (South Asia) Limited	0.62	18.38
Holcim Group Services Ltd	0.35	0.59
Dirk India Private Limited	-	0.01

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

NOTE 43. RELATED PARTY DISCLOSURE (Contd.)

(G) Details of Transactions with Key Management Personnel	For the year ended December 31, 2018 Crore	For the year ended December 31, 2017 Crore
(i) Remuneration*	11.52	8.23
Mr. Neeraj Akhoury**	7.13	4.15
Mr. Sunil K. Nayak	3.36	2.94
Mr. Ramaswami Kalidas	1.03	0.24
Mr. Burjor D. Nariman	-	0.30
Mr. Surendra Mehta	-	0.60
Breakup of Remuneration	11.52	8.23
Short term employment benefit	11.05	7.49
Post employment benefits	0.10	0.06
Other long term benefits	0.37	0.68
(ii) Other Payment to Key Management Personnel	For the year ended December 31, 2018 Crore	For the year ended December 31, 2017 Crore
Commission Payable	3.19	3.53
Mr. N S Sekhsaria	0.50	0.50
Mr. Arunkumar Gandhi	0.45	0.45
Mr. Martin Kriegner#	-	0.36
Mr. Shailesh Haribhakti	0.36	0.36
Mr. Sushil Kumar Roongta	0.36	0.36
Mr. Ashwin Dani	0.36	0.36
Mr. Farrokh Kavarana	0.36	0.36
Mr. Vijay Kumar Sharma	0.20	0.20
Mr. Jan Jenisch	0.20	0.04
Ms. Falguni Nayar	0.20	0.20
Mr. Christof Hassig	0.20	0.20
Mr. Eric Olsen	-	0.14
Sitting Fees	0.53	0.73
Mr. N S Sekhsaria	0.04	0.06
Mr. Arunkumar Gandhi	0.08	0.09
Mr. Martin Kriegner#	0.04	0.08
Mr. Shailesh Haribhakti	0.07	0.08
Mr. Sushil Kumar Roongta	0.09	0.11
Mr. Ashwin Dani	0.06	0.08
Mr. Farrokh Kavarana	0.07	0.12
Mr. Vijay Kumar Sharma	0.01	0.01
Mr. Jan Jenisch	0.01	-
Ms. Falguni Nayar	0.03	0.06
Mr. Christof Hassig	0.03	0.03
Mr. Eric Olsen	-	0.01

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

NOTE 43. RELATED PARTY DISCLOSURE (Contd.)

* Provision for contribution to gratuity fund, leave encashment on retirement and other defined benefits which are made based on actuarial valuation on an overall Company basis are not included in remuneration to key management personnel.

**Remuneration does not include performance incentive for respective years, pending finalisation. Current year remuneration includes ` 2.44 Crore performance incentive paid for 2017.

Mr Martin Kriegner has waived his right to receive Directors' commission from the year 2018 and sitting fees with effect from the meeting held on October 17, 2018.

The Group makes monthly contributions to provident fund managed by "The Provident Fund of ACC Ltd" for certain eligible employees. Under the scheme, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits. During the year, the Group contributed ` 22.71 Crore (Previous Year - ` 22.35 Crore).

The Group maintains gratuity trust for the purpose of administering the gratuity payment to its employees (ACC Limited Employees Group Gratuity scheme). During the year, the Group contributed ` 21.00 Crore (Previous Year - ` 7.19 Crore).

Terms and conditions of transactions with related parties

Sales and purchases

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. For the year ended December 31, 2018, the Company has not recorded any loss allowances for trade receivables from related parties (Previous year - Nil).

NOTE 44. SEGMENT REPORTING

For management purposes, the Group is organised into business units based on the nature of the products, the differing risks and returns. The organization structure and internal reporting system has two reportable segments, as follows:

- (a) **Cement** - Cement is a product which is obtained from clinker resulting from mixing the raw materials such as limestone, clay, iron ore, fly ash, bauxite, etc; in determined ratios. Clinker is then mixed with certain amount of setting regulator (generally gypsum) which is ground together and set after mixing with water and gains strength to make Cement. In general, it is used in construction activities.
- (b) **Ready mix concrete** - Ready-mix concrete is concrete that is manufactured in a batch plant, according to a set engineered mix design. In general, it is used in construction activities.

No operating segments have been aggregated to form the above reportable operating segments.

The Chief Operating Decision Maker ("CODM") monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. However, the Group's financing (including finance costs and finance income) and income taxes are managed on a Group basis and are not allocated to operating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

NOTE 44. SEGMENT REPORTING (contd.)

INFORMATION ABOUT PRIMARY BUSINESS SEGMENTS

` Crore

	Cement		Ready Mix Concrete		Total	
	Year ended December 31, 2018	Year ended December 31, 2017	Year ended December 31, 2018	Year ended December 31, 2017	Year ended December 31, 2018	Year ended December 31, 2017
REVENUE						
External sales	13,171.09	12,692.83	1,306.38	1,153.71	14,477.47	13,846.54
Inter-segment sales	216.00	225.18	2.76	4.90	218.76	230.08
Other operating revenue	318.08	349.63	6.07	4.55	324.15	354.18
	13,705.17	13,267.64	1,315.21	1,163.16	15,020.38	14,430.80
Less : Elimination	216.00	225.18	2.76	4.90	218.76	230.08
Total revenue	13,489.17	13,042.46	1,312.45	1,158.26	14,801.62	14,200.72
OPERATING EBITDA	1,914.29	1,797.45	133.83	114.98	2,048.12	1,912.43
Segment result	1,328.37	1,173.78	116.71	98.10	1,445.08	1,271.88
Unallocated corporate Income net of unallocated expenditure					37.58	33.92
Operating Profit					1,482.66	1,305.80
Finance Costs					(87.77)	(98.53)
Interest and Dividend income					104.90	91.87
Share of profit from associates and Joint ventures					10.32	10.92
Tax expenses (Refer Note - 21)					10.51	(385.55)
Profit after tax					1,520.62	924.51
Capital expenditure (including capital work-in-progress and capital advances)	477.29	482.03	47.45	21.62	524.74	503.65
Depreciation and Amortisation	586.69	626.79	16.53	16.83	603.22	643.62
Other non-cash expenses	11.64	5.59	3.57	2.95	15.21	8.54
Segment assets	11,687.19	11,326.92	454.07	372.53	12,141.26	11,699.45
Unallocated Corporate assets					3,914.69	3,146.29
Total assets					16,055.95	14,845.74
Segment liabilities	4,078.40	3,950.72	315.23	278.49	4,393.63	4,229.21
Unallocated Corporate liabilities					1,127.39	1,257.80
Total liabilities					5,521.02	5,487.01

` Crore

Sales from external customer	For the year ended December 31, 2018	For the year ended December 31, 2017
Within India	14,472.37	13,783.17
Outside India *	5.10	63.37
TOTAL	14,477.47	13,846.54

No single customer contributed 10% or more to the Group's revenue for the year ended December 31, 2018 and December 31, 2017.

* Sales outside India are in functional currency.

All the non-current assets are located within India

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

NOTE 45. DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006*

Particulars	As at December 31, 2018 Crore	As at December 31, 2017 Crore
a. The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year		
Principal amount due to micro and small enterprises (Not overdue)	8.02	4.81
Interest due on above		
b. The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
c. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	-	-
d. The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
e. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of Micro, Small and Medium Enterprises Development Act, 2006.	-	-

*This information has been determined to the extent such parties have been identified on the basis intimation received from the "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006.

NOTE 46.

ACC Mineral Resources Limited (AMRL), through its joint operations had secured development and mining rights for four coal blocks allotted to Madhya Pradesh State Mining Corporation Ltd. These allocations stand cancelled pursuant to the judgment of Supreme Court dated August 25, 2014 read with its order dated September 24, 2014. The Government of India has commenced auctioning process for all such blocks in a phased manner. The auctioning for Bicharpur, being one of the four blocks, was completed, with the block being awarded to the successful bidder vide vesting order dated March 23, 2015. In respect of Bicharpur coal block, AMRL had filed a writ petition with the Delhi High Court against the compensation fixed by Ministry of Coal up to March 31, 2014. The Hon'ble Delhi High Court issued its judgment on March 09, 2017 wherein the court has said that "whatever has transpired after March 31, 2014 and goes towards affecting the quantum of compensation for mine infrastructure, must also be taken into account." Accordingly a fresh claim has been filed with Ministry of Coal for re-imburement of expenses incurred up to the date of vesting order. In respect of other three blocks, auctioning dates are yet to be announced.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

NOTE 47.

- (i) The Group has arrangements with an associate company whereby it sells clinker and purchases cement manufactured out of such clinker. While the transactions are considered as individual sale/ purchase transactions for determination of taxable turnover and tax under VAT / GST laws, considering the accounting treatment prescribed under various accounting guidance, revenue for sale of such clinker of ` 20.63 Crore (Previous year - ` 22.84 Crore) has not been recognized as a part of the turnover but has been adjusted against cost of purchase of cement so converted. This transaction has been identified in the nature of lease (Refer Note - 39).
- (ii) The Group has arrangement with a Joint venture company whereby it purchases Ready Mixed Concrete and sells that to external customers. While the transactions are considered as individual sale/ purchase transactions for determination of taxable turnover and tax under VAT / GST laws, considering the Joint venture essentially operates as a risk bearing licensed manufacturer of Ready Mix Concrete in relation to the Group's local sales, this arrangement is considered in nature of royalty arrangement and revenue for sale of such Ready Mix Concrete to customer of ` 87.91 Crore (Previous year - ` 83.61 Crore) has not been recognized as a part of the turnover but has been adjusted against cost of purchase of Ready Mix Concrete.

NOTE 48. CAPITALISATION OF EXPENDITURE

During the year, the Group has capitalised the following expenses of revenue nature to the cost of Property, Plant and Equipment / Capital work-in-progress (CWIP). Consequently, expenses disclosed under the respective notes are net of amounts capitalised by the Group.

Particulars	2018 ` Crore	2017 ` Crore
Balance at the beginning of the year	2.80	18.56
Expenditure during construction for projects:		
Employee benefits expense	1.26	6.60
Miscellaneous expenses	3.15	2.95
Total	7.21	28.11
Less : Capitalised during the year	2.22	25.31
Balance at the end of the year	4.99	2.80

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

NOTE 49. FINANCIAL INSTRUMENTS

(A) Categories of financial instruments

Particulars	Note No.	Carrying value	
		As at December 31, 2018 Crore	As at December 31, 2017 Crore
Financial assets			
1. Measured at Fair value through profit or loss (FVTPL)			
(a) Mandatorily measured:			
Equity investments		-	-
Cash and cash equivalents - Mutual funds	12	722.99	984.16
(b) Designated as at FVTPL		-	-
2. Measured at amortised cost			
Cash and cash equivalents (Certificates of deposits and other deposits)	12	936.10	864.83
Other Cash and cash equivalents (Balances with banks)	12	1,274.12	710.67
Bank balances other than Cash and Cash Equivalents	13	163.77	168.89
Investments in Bonds	5	3.70	3.70
Security deposits (Current and Non-Current)	6 & 14	225.94	240.71
Loans and Other financial assets (Current and Non-Current)	6, 7, 14 & 15	572.51	442.50
Trade receivables	11	867.37	665.97
3. Measured at fair value through Other Comprehensive Income		-	-
Total		4,766.50	4,081.43

Particulars	Note No.	Carrying value	
		As at December 31, 2018 Crore	As at December 31, 2017 Crore
Financial liabilities			
1. Measured at Fair value through profit or loss (FVTPL)			
Foreign currency forward contract	22	1.19	-
2. Measured at amortised cost			
Trade payables		1,926.26	1,813.74
Security deposits and retention money	22	553.55	530.73
Other financial liabilities	22	220.80	190.61
Total		2,701.80	2,535.08

Management assessed the carrying values of Other Cash and cash equivalents, Bank balances other than cash and cash equivalents, trade receivables, trade payables and other financial liabilities (except derivative financial instruments) approximate their carrying amounts largely due to the short-term maturities of these instruments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

NOTE 49: FINANCIAL INSTRUMENTS (contd.)

(B) Income, Expenses, Gains or Losses on Financial Instruments

Interest income and expenses, gains or losses recognised on financial assets and liabilities in the Consolidated Statement of Profit and Loss are as follows:

Crore

Particulars	For the Year ended December 31, 2018	For the Year ended December 31, 2017
Financial assets measured at amortised cost		
Interest income	(104.80)	(77.01)
Impairment losses on financial assets (including reversals of impairment losses)	5.39	2.20
Financial assets measured at fair value through profit or loss		
Gain on sale of current financial assets	(35.91)	(25.75)
Net gain on fair valuation of current financial assets	(0.91)	(0.92)
Gain on sale of non - current financial assets	-	(10.32)
Financial liabilities measured at amortised cost		
Net exchange losses on revaluation or settlement of items denominated in foreign currency (trade payable)	3.23	4.23
Interest expenses on deposits from dealers	28.89	24.14
Financial liabilities measured at fair value through profit or loss		
Net Loss on foreign currency forward contract	2.12	-
Net gain recognised in the Consolidated Statement of Profit and Loss	(101.99)	(83.43)

(C) Fair Value Hierarchy

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments:

Level 1: inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2: inputs other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

Level 3: inputs that are unobservable for the asset or liability.

NOTE 49: FINANCIAL INSTRUMENTS (contd.)

For assets and liabilities which are measured at fair value as at the Balance Sheet date, the classification of fair value calculations by category is summarized below:

	Level 1	Level 2	Level 3	Total
As at December 31, 2018				
Financial assets				
1. Measured at Fair value through profit or loss (FVTPL)				
(a) Mandatorily measured:				
Equity investments	-	-	-	-
Cash and cash equivalents - Mutual funds	722.99	-	-	722.99
(b) Designated as at FVTPL	-	-	-	-
2. Measured at fair value through Other Comprehensive Income	-	-	-	-
Financial liabilities				
Measured at Fair value through profit or loss (FVTPL)				
Foreign currency forward contract	-	1.19	-	1.19
As at December 31, 2017				
Financial assets				
1. Measured at Fair value through profit or loss (FVTPL)				
(a) Mandatorily measured:				
Equity investments	-	-	-	-
Cash and cash equivalents - Mutual funds	984.16	-	-	984.16
(b) Designated as at FVTPL	-	-	-	-
2. Measured at fair value through Other Comprehensive Income	-	-	-	-
Financial liabilities				
Measured at FVTPL				
Foreign currency forward contract	-	-	-	-

During the reporting period ending December 31, 2018 and December 31, 2017, there was no transfer between level 1 and level 2 fair value measurement.

The following methods and assumptions were used to estimate the fair values:

Level 1: Quoted bid prices in an active market - Unadjusted Quoted price in principle market in which equity instrument is actively traded.

Level 1: Investments in liquid and short-term mutual funds, which are classified as FVTPL are measured using net asset values at the reporting date multiplied by the quantity held.

Level 2: The fair value of forward foreign exchange contracts is calculated as the present value determined using forward exchange rates at the reporting date.

Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required).

Other financial assets and liabilities

Management consider the carrying values of Other Cash and cash equivalents, Bank balances other than cash and cash equivalents, trade receivables, trade payables and other financial liabilities (except derivative financial instruments) approximate their carrying amounts largely due to the short-term maturities of these instruments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

NOTE 50. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial Risk Evaluation and Management is an ongoing process within the Group. The Group has a robust risk management framework to identify, monitor, mitigate and minimize risks arising from financial instruments.

The Group is exposed to market, credit and liquidity risks. The Board of Directors ('Board') oversee the management of these risks through its Risk Management Committee. The Group's Risk Management Policy has been formulated by the Risk Management Committee and approved by the Board. The Policy articulates on the Group's approach to address uncertainties in its endeavour to achieve its stated and implicit objectives. It also prescribes the roles and responsibilities of the Group's management, the structure for managing risks and the framework for risk management. The framework seeks to identify, assess and mitigate risks in order to minimize potential adverse effects on the Group's financial performance.

All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes shall be undertaken. The Board of Directors reviews and agrees on policies for managing each of these risks, which are summarized below. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

Risk	Exposure arising from	Measurement	Management
Credit Risk	Trade receivables, Cash and cash equivalents, Bank balances other than cash and cash equivalents, Security deposits, Loans and other financial assets	Credit ratings and Ageing analysis	1. Diversification of counterparties 2. Investment limits 3. check on counterparties basis credit rating 4. Number of overdue days
Liquidity Risk	Trade payables, Deposits from dealers, Foreign exchange forward contract and other financial liabilities	Maturity analysis	1. Preparing and monitoring forecasts of cash flows 2. Maintaining sufficient cash and cash equivalents
Market Risk- Foreign Exchange	Financial assets and liabilities denominated in other than functional currency	Sensitivity analysis	1. Exposure limits 2. Forward foreign exchange contract
Market Risk- Price risk	Investment in equity instruments	Sensitivity analysis	1. Strategic investment
Market Risk- Interest rate risk	Security deposit from dealers	Sensitivity analysis	1. Periodical reset of interest rate linked to market

(i) Credit risk

Credit risk is the risk that the counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits placed with banks and financial institutions and other financial instruments.

Financial assets other than trade receivables

Credit risk from balances with banks and financial institutions is managed by the Group's Treasury department in accordance with its policy. Surplus funds are parked only within approved investment categories with well defined limits. Investment category is periodically reviewed by the Group's Board of Directors.

Credit risk arising from short term liquid funds, other balances with banks and other cash equivalents is limited and no collaterals are held against these because the counterparties are banks and recognised financial institutions with high credit ratings assigned by the credit rating agencies. None of the financial instruments of the Company result in material concentration of credit risks.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

NOTE 50. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

Other financial assets mainly include incentives receivable from the government, loans and security deposits given. There are no indications that defaults in payment obligations would occur in respect of these financial assets.

Trade receivables

Customer credit risk is managed as per the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of collaterals. The requirement for impairment is analysed at each reporting date on an individual basis for major customers. The management is also monitoring the receivables levels by having frequent interactions with responsible persons for highlighting potential instances where receivables might become overdue.

Trade receivables consist of a large number of customers spread across India with no significant concentration of credit risk. Ongoing credit evaluation is performed on the financial condition of accounts receivable. The Group has adopted a policy of only dealing in creditworthy counterparties and obtaining collateral i.e. security deposit. No single customer accounted for 10% or more of the Group's net sales. Therefore, the Group does not expect any material risk on account of non-performance by any of its counterparties.

Summary of the Group's exposure to credit risk by age of the outstanding from various customers is as follows:

Particulars	Crore	
	As at December 31, 2018	As at December 31, 2017
Neither past due nor impaired	318.80	260.96
Past due not impaired		
- 1-180 days	499.49	364.39
- more than 180 days	49.08	40.62
Past due impaired		
- 1-180 days	-	2.74
- more than 180 days	24.65	26.29
Total	892.02	695.00

Expected credit loss assessment

For trade receivables, as a practical expedient, the Group compute credit loss allowance based on a provision matrix. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated. Accordingly, loss allowances on trade receivables are measured using provision matrix at an amount equal to life time expected losses i.e. expected cash shortfall.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

NOTE 50. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

The following table summarizes the change in the loss allowances measured using simplified approach model expected credit loss assessment:

	Crore
As at January 01, 2017	36.98
Provided during the year	3.84
Amounts utilised	(10.15)
Reversals of Provision	(1.64)
As at December 31, 2017	29.03
Provided during the year	7.54
Amounts utilised	(9.77)
Reversals of Provision	(2.15)
As at December 31, 2018	24.65

No significant changes in estimation techniques or assumptions were made during the reporting period.

Credit impaired

For expected credit loss as at each reporting date the Group assesses position for the assets for which credit risk has not significantly increased from initial recognition, assets for which credit risk has increased significantly but are not credit impaired and for assets for which credit risk has increased significantly and are credit impaired. The Group assesses detrimental impacts on the estimated future cash flows of the financial asset including loans, receivables and other assets. Based on the assessment of the observable data relating to significant financial difficulty and creditworthiness of the counterparties, the management believes that there are no financial assets which are credit impaired.

(ii) Liquidity risk

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Group's treasury team is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Group's liquidity position through rolling forecasts on the basis of expected cash flows. The Group has large investments in short term liquid funds which can be redeemed on a very short notice and hence carried negligible liquidity risk.

The table summarises the details regarding the remaining contractual maturities of financial liabilities at the reporting date based on the contracted undiscounted cash payments.

	Crore			
Particulars	Carrying amount	Less than 1 year	More than 1 year	Total
As at December 31, 2018				
Other financial liabilities*	774.35	806.09	-	806.09
Foreign currency forward contract	1.19	1.19	-	1.19
Trade payables	1,926.26	1,926.26	-	1,926.26
	2,701.80	2,733.54	-	2,733.54
As at December 31, 2017				
Other financial liabilities*	721.34	741.31	-	741.31
Trade payables	1,813.74	1,813.74	-	1,813.74
	2,535.08	2,555.05	-	2,555.05

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

NOTE 50. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

*Other financial liabilities includes deposits received from customers amounting to ₹ 499.77 Crore (Previous year - ₹ 459.30 Crore). These deposits do not have a contractual re-payment term but are repayable on demand. Since, the Group does not have an unconditional right to defer the payment beyond 12 months from reporting date, these deposits have been classified under current financial liabilities. For including these amounts in the above mentioned maturity analysis, the Group has assumed that these deposits, including interest thereon, will be repayable at the end of the next reporting period. The actual maturity period for the deposit amount and the interest thereon can differ based on the date on which these deposits are settled to the customers.

(iii) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risk: interest rate risks, currency risk and other price risk such as equity price risks and commodity risk. Financial instruments affected by market risk include loans and borrowings, investments, deposits and trade payables.

Foreign currency risk

Foreign currency risk is the risk of impact related to fair value or future cash flows of an exposure in foreign currency, which fluctuate due to change in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates primarily relate to import of raw materials, fuels and capital items.

Based on sensitivity analysis, the Group has well defined forex exposure threshold limit approved by Board of Directors, beyond which all forex exposure are fully hedged.

The carrying amounts of the Group's foreign currency denominated monetary assets at the end of the reporting periods expressed in ₹, are as follows:

₹ Crore

As at December 31, 2018	USD	EUR	CHF	GBP
Trade Payable	130.22	2.13	0.02	0.04
Foreign exchange derivative contracts	(83.85)	-	-	-
Net exposure to foreign currency risk (liabilities)	46.37	2.13	0.02	0.04

As at December 31, 2017	USD	EUR	CHF
Trade Payable	211.58	2.17	0.15
Foreign exchange derivative contracts	-	-	-
Net exposure to foreign currency risk (liabilities)	211.58	2.17	0.15

Foreign currency sensitivity

The following tables demonstrate the sensitivity into a reasonably possible change in exchange rates, with all other variables held constant. A positive number below indicates an increase in profit where the ₹ strengthens 5% against the relevant currency. For a 5% weakening of the ₹ against the relevant currency, there would be a comparable impact on the profit and the balances below would be negative.

₹ Crore

Particulars	As at December 31, 2018		As at December 31, 2017	
	5% strengthening of ₹	5% weakening of ₹	5% strengthening of ₹	5% weakening of ₹
USD	2.32	(2.32)	10.58	(10.58)
EUR	0.11	(0.11)	0.11	(0.11)
CHF	-	-	0.01	(0.01)
TOTAL	2.43	(2.43)	10.70	(10.70)

5% represent management assessment of reasonably possible change in foreign currency exchange rate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

NOTE 50. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

Market Risk- Price risk

Other price risk is the risk that the fair value of financial instruments will fluctuate due to change in marked traded prices. Other price risk arises from the financial assets such as investments in equity instruments and bonds.

The Group was exposed to equity price risks arising from equity investment in Shiva Cement Limited. Group's equity investment was held for strategic rather than trading purposes. During the previous year, the Group sold investment in Shiva Cement Limited.

Commodity price risk

Commodity price risk for the Group is mainly related to fluctuations in coal and pet coke prices linked to various external factors, which can affect the production cost of the Group. Since the Energy costs is one of the primary costs drivers, any fluctuation in fuel prices can lead to drop in operating margin. To manage this risk, the Group take steps to optimize the fuel mix and to pursue longer term and fixed contracts, where considered necessary. Additionally, processes and policies related to such risks are reviewed and controlled by senior management and fuel requirement are monitored by the Central procurement team.

Market Risk- Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Group's exposure to the interest rate risk arises primarily from their loans and borrowings. Since the Group has insignificant interest bearing borrowings, the exposure to risk of changes in market interest rates is minimal. The Group has not used any interest rate derivatives.

The Group has taken interest bearing security deposit from dealers. If interest rate had been 0.50% higher/lower the Profit for the year ended December 31, 2018 would decrease / increase by ` 2.50 Crore (Previous year - ` 2.30 Crore).

Unrepresentativeness of Sensitivity analysis

In management's opinion the sensitivity analysis is unrepresentative of the above inherent risks because the exposure at the end of the reporting periods does not reflect the exposure during the year.

NOTE 51. CAPITAL MANAGEMENT

The Group's objectives when managing capital are to (a) maximise shareholder value and provide benefits to other stakeholders and (b) maintain an optimal capital structure to reduce the cost of capital.

For the purposes of the Group's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders.

As stated in the below table, the Group is a Zero debt Group with no long-term borrowings. The Group is not subject to any externally imposed capital requirements.

Particulars	Note No.	` Crore	
		As at December 31, 2018	As at December 31, 2017
Total Debt		-	-
Less: Cash and cash equivalents	12	(2,933.21)	(2,559.66)
Net Debt		(2,933.21)	(2,559.66)
Equity attributable to owners of the parent	18 & 19	10,531.90	9,355.85
Debt to Equity (Net)		NA	NA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

Note 52

Additional information as required by Paragraph 2 of the General Instructions for the Preparation of Consolidated Financial Statements under Division II of Schedule III to the Companies Act, 2013.

Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities*		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount ` Crore	As % of consolidated profit or loss	Amount ` Crore	As % of consolidated other comprehensive income	Amount ` Crore	As % of consolidated total comprehensive income	Amount ` Crore
	As at December 31, 2018	As at December 31, 2018	December 31, 2018	December 31, 2018	December 31, 2018	December 31, 2018	December 31, 2018	December 31, 2018
Parent								
ACC Limited	100.43	10,577.35	98.99	1505.20	100.20	(4.85)	98.99	1500.35
Subsidiaries								
<i>Indian</i>								
Bulk Cement Corporation (India) Limited	0.15	15.70	0.18	2.77	-	-	0.18	2.77
ACC Mineral Resources Limited	(0.45)	(47.23)	0.19	2.85	-	-	0.19	2.85
Lucky Minmat Limited	(0.32)	(33.19)	(0.03)	(0.48)	-	-	(0.03)	(0.48)
National Limestone Company Private Limited	(0.08)	(8.06)	(0.01)	(0.15)	-	-	(0.01)	(0.15)
Singhania Minerals Private Limited	(0.02)	(2.47)	0.01	0.11	-	-	0.01	0.11
Non-controlling interests in all subsidiaries								
	(0.03)	(3.03)	(0.01)	(0.15)	-	-	(0.01)	(0.15)
Associates (Investment as per the equity method)								
<i>Indian</i>								
Alcon Cement Company Private Limited	(0.08)	(8.58)	0.02	0.32	-	-	0.02	0.32
Asian Concretes and Cements Private Limited	0.30	31.25	0.46	6.92	-	-	0.46	6.92
Joint Ventures (Investment as per the equity method)								
<i>Indian</i>								
OneIndia BSC Private Limited	0.03	3.31	0.10	1.59	0.21	(0.01)	0.10	1.58
Aakaash Manufacturing Company Private Limited	0.07	6.85	0.10	1.49	(0.41)	0.02	0.10	1.51
TOTAL	100.00	10,531.90	100.00	1,520.47	100.00	(4.84)	100.00	1,515.63

* In case of Subsidiaries, Associates and Joint ventures, the parent's share in respect of these components have been adjusted with the carrying value of the parent's investments in each component.

Note : The above figures are after eliminating intra group transactions and intra group balances as at December 31, 2018.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

Note 52 (Contd.)

Additional information as required by Paragraph 2 of the General Instructions for the Preparation of Consolidated Financial Statements under Division II of Schedule III to the Companies Act, 2013.

Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities*		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount ` Crore	As % of consolidated profit or loss	Amount ` Crore	As % of consolidated other comprehensive income	Amount ` Crore	As % of consolidated total comprehensive income	Amount ` Crore
	As at December 31, 2017	As at December 31, 2017	December 31, 2017	December 31, 2017	December 31, 2017	December 31, 2017	December 31, 2017	December 31, 2017
Parent								
ACC Limited	100.67	9,418.79	100.41	928.29	105.80	2.37	100.43	930.66
Subsidiaries								
<i>Indian</i>								
Bulk Cement Corporation (India) Limited	0.12	11.12	0.21	1.90	-	-	0.21	1.90
ACC Mineral Resources Limited	(0.55)	(51.56)	(1.65)	(15.28)	-	-	(1.65)	(15.28)
Lucky Minmat Limited	(0.35)	(32.70)	(0.05)	(0.47)	-	-	(0.05)	(0.47)
National Limestone Company Private Limited	(0.08)	(7.92)	(0.02)	(0.15)	-	-	(0.02)	(0.15)
Singhania Minerals Private Limited	(0.03)	(2.59)	(0.08)	(0.70)	-	-	(0.08)	(0.70)
Non-controlling interests in all subsidiaries								
	(0.03)	(2.88)	(0.01)	(0.10)	-	-	(0.01)	(0.10)
Associates (Investment as per the equity method)								
<i>Indian</i>								
Alcon Cement Company Private Limited	(0.09)	(8.49)	0.06	0.52	(0.45)	(0.01)	0.06	0.51
Asian Concretes and Cements Private Limited	0.26	24.33	0.80	7.42	-	-	0.80	7.42
Joint Ventures (Investment as per the equity method)								
<i>Indian</i>								
OneIndia BSC Private Limited	0.02	1.73	0.14	1.26	(4.46)	(0.10)	0.13	1.16
Aakaash Manufacturing Company Private Limited	0.06	6.02	0.19	1.72	(0.89)	(0.02)	0.18	1.70
TOTAL	100.00	9,355.85	100.00	924.41	100.00	2.24	100.00	926.65

* In case of Subsidiaries, Associates and Joint ventures, the parent's share in respect of these components have been adjusted with the carrying value of the parent's investments in each component.

Note : The above figures are after eliminating intra group transactions and intra group balances as at December 31, 2017.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

NOTE 53. DIVIDEND DISTRIBUTION AND PROPOSED DIVIDEND

Particulars	For the year ended December 31, 2018	For the year ended December 31, 2017
	₹ Crore	₹ Crore
Cash dividends on equity shares declared and paid:		
Final dividend for the year ended December 31, 2017: ₹ 15 per share (Previous year - ₹ 6 per share for 2016)	281.68	112.67
Dividend distribution tax on final dividend*	57.90	22.94
Interim equity dividend ₹ Nil per share (Previous year - ₹ 11 per share)	-	206.57
Dividend distribution tax on interim dividend	-	42.05
	339.58	384.23
Proposed dividends on equity shares:		
Final cash dividend for the year ended December 31, 2018: ₹ 14 per share (Previous year - ₹ 15 per share)	262.90	281.68
Dividend distribution tax on proposed dividend *	54.04	57.34
	316.94	339.02

* Dividend distribution tax on proposed dividend for Previous year has been changed due to change in Dividend distribution tax rate w. e. f. April 1, 2018.

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability (including Dividend Distribution Tax thereon) as at December 31.

NOTE 54. GOODWILL ON CONSOLIDATION

Movement in Goodwill on consolidation

Particulars	₹ Crore	
	As at December 31, 2018	As at December 31, 2017
Carrying amount as at beginning of the year	15.57	15.57
Impairment during the year	-	-
Net carrying value as at end of the year	15.57	15.57

Goodwill of ₹ 15.57 Crore (Previous year - ₹ 15.57 Crore) relates to acquisition of a business of subsidiary companies. For the purpose of impairment testing, carrying amount of goodwill has been allocated to the following Cash Generating Units (CGUs) :

Particulars	₹ Crore	
	As at December 31, 2018	As at December 31, 2017
Lucky Minmat Limited (LML)	6.42	6.42
National Limestone Company Private Limited (NLCPL)	5.38	5.38
Singhania Minerals Private Limited (SMPL)	3.28	3.28
Bulk Cement Corporation (India) Limited (BCCI)	0.49	0.49
TOTAL	15.57	15.57

Of the above CGUs, LML, NLCPL and SMPL are engaged in the business of extracting of limestone. BCCI is in the business of handling of cement.

The recoverable amounts of the CGUs are determined from value-in-use calculations. The key assumptions for the value-in-use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the year. Management estimates discount rates using pre-tax rates that reflect current

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

market assessments of the time value of money and the risks specific to the CGUs. The growth rates are based on industry growth forecasts. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market. In making the said projections, reliance has been placed on current market analysis, estimates of future prices of mineable resources (Limestone), mining leases and assumptions relating to operational performance.

As at December 31, 2018, the cash flows are estimated over the life of respective mines.

Following are the key assumptions considered for value-in-use calculation:

1. Production of mines is estimated as per the production schedule in the mining plans submitted to the regulatory authorities.
2. Limestone is a commodity for which there is no market existing. Average selling price of the limestone considered based on the information available from the Indian Bureau of Mines ("IBM"). Expected increase in selling price is considered at 3% every year.
3. The cost of production is given an inflation effect of 4% every year for first five years and 3% every year thereafter and royalty rate is increased by 10% in every five year.
4. Weighted average cost of capital (WACC) estimated as 15.51%

The management believes that any reasonably possible change in the key assumptions would not cause the carrying amount to exceed the recoverable amount of the cash generating unit.

Based on the Group's assessment there is no impairment of goodwill.

NOTE 55: The Group has accrued Incentives Receivable under Government Schemes in the form of GST /VAT refunds from the various state governments (Refer Notes 7 and 15). Consequent to clarification issued by The Ind AS Transition Facilitation Group (ITFG) of the Institute of Chartered Accountants of India on April 04, 2018 on above incentives, the Group has further evaluated the classification of these incentives in the financial statements. Considering that the Group has complied with the conditions attached to the scheme and hence entitled to the incentives as per the scheme, such incentive receivable falls under the definition of financial instruments. Accordingly the Group has reclassified the said receivables from non-financial assets to financial assets as per Ind AS 109. Consequently, all comparative periods presented have been reclassified as per current year presentation. The Management believes that the reclassification has no material effect on the information in the Consolidated Balance Sheet.

NOTE 56 : Figures for the previous year have been regrouped / reclassified wherever necessary to conform to the current year's presentation.

For and on behalf of the Board of Directors of ACC Limited,

N.S.SEKHSARIA

Chairman

DIN: 00276351

NEERAJ AKHOURY

Managing Director & CEO

DIN:07419090

SUNIL K. NAYAK

Chief Financial Officer

RAMASWAMI KALIDAS

Company Secretary

FCS - 2440

Mumbai, February 05, 2019

ARUNKUMAR R GANDHI

Director

DIN: 00007597

SUSHIL KUMAR ROONGTA

Director

DIN:00309302

FARROKH K. KAVARANA

Director

DIN: 00027689

VIJAY KUMAR SHARMA

Director

DIN: 02449088

MARTIN KRIEGNER

Director

DIN:00077715

ASHWIN DANI

Director

DIN: 00009126

FALGUNI NAYAR

Director

DIN: 00003633

CHRISTOF HASSIG

Director

DIN: 01680305